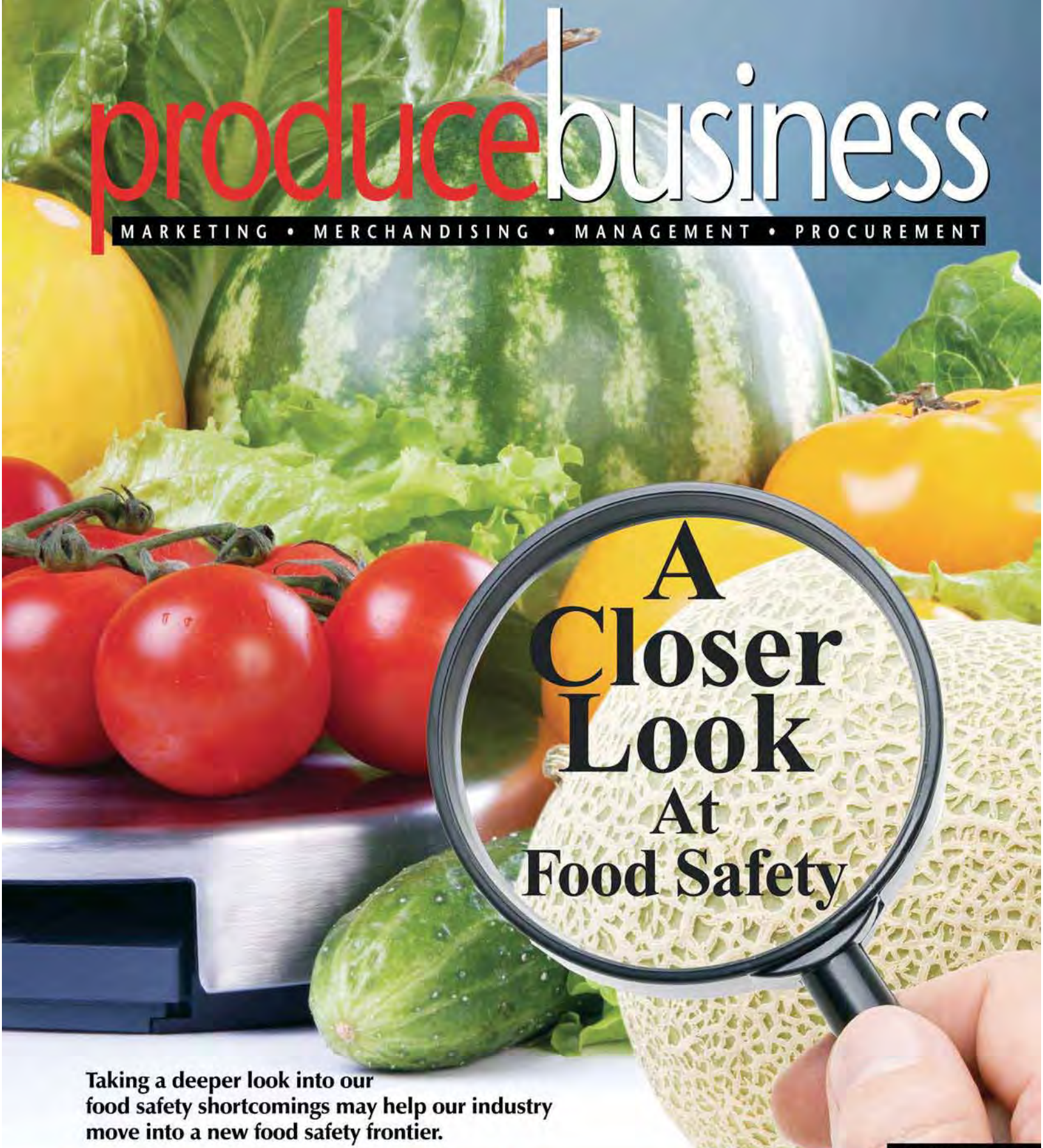


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PROTECTED AGRICULTURE PART I • SPRING MERCHANDISING
MEXICAN MANGOS • CARROTS • PACKAGED NUTS
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IN LOVING MEMORY OF

Michael Prevor

There is always a back story. I've been fortunate enough to live to see myself earn some modicum of success and to get quite a share of praise for my work. I remember every day that whatever I may have accomplished, it was all rooted in what my father, Michael Prevor, gave me.

Growing up, I had the best tutorial one could get in the produce industry by simply listening to my father at the dinner table. Then as I got older, he offered me positions of all sorts in the family business: I bought produce for export, sold honeydew melons and other imports; I drove a truck and delivered on the loading dock with a hand jack. I sold overseas and worked in our retail end. I romanced foreign shippers and solicited product for our wholesale operation in Hunts Point.

When I went on my own to launch PRODUCE BUSINESS, my father gave me free office space and was my best customer for the first few years. I also was born with a great gift, the right to use the Prevor name, which enabled me to call anyone and everyone in the business and get a return phone call, usually with a story of respect for my father, grandfather or great-grandfather.


With time, I nurtured what we started out with into a company, so now we publish other magazines, both trade and consumer, have online operations that include PerishableNews.com and PerishablePundit.com, run share groups for retailers and wholesalers, publish cookbooks, operate a trade and consumer research division and, along with the Eastern Produce Council, produce The New York Produce Show and Conference. All that grew from my father's teaching, support and love.

In the produce industry, my father was exceptional. He was a wholesaler on Hunts Point, but also the largest independent exporter from the United States, and he was a substantial importer for many years. He had supermarkets, convenience stores, fruit stores, a mail order fruit business and so much more. He was the main force behind taking the family business public, the first non-banana produce company to become a publicly traded firm.

He served for a while on the Hunts Point Terminal Market board, but he was mostly a man who worked on his own. My father died on January 15, 2012 at age 75, following a long and hard-fought battle with pancreatic cancer. Now I read the letters that come in from those who knew him and I learn that it is not just myself, nor my siblings, who were boosted by his intelligence and spirit. Letter after letter tells of him being a teacher, a mentor, of his generosity and business acumen.

He leaves behind my mother, Roslyn Prevor, his wife of 54 years, plus children, grandchildren, siblings, nephews, nieces, great-nephews and nieces and many more whose lives he influenced and improved. He lived a full life, but to those of us who knew him, the loss is enormous.

He was the greatest man I have ever known. I only pray that my life and work should do him proud. Toward the end of his life, my family endowed a fund to support a unique anti-cancer approach. Though sadly we found this approach too late to save my father's life, we believe that with time, it can save the lives of many in the future. If you would like to support this effort in his name, please send any contributions to: The Prevor Family Fund For Immunotherapy Cancer Research at The University of Pennsylvania at 3535 Market Street, Suite 750, Philadelphia, PA 19104. You can copy this link to donate online:
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James F. Prevor



THIS MONTH'S WINNER



Pam Noll
Sales/Administration
Florida Floral Supply Inc.
Pierson, FL

Pam Noll has been in the floral and foliage business for the past two decades. She runs her company, Florida Floral Supply Inc., a third-generation business, with her husband in Pierson, FL. "I used to work for my husband's parents, actually," she says. "Then they sold it to him, so now it's just us and a couple of employees running the show. It was started by my husband's grandfather in 1948."

Florida Floral Supply is a wholesaler of tropical interior foliage. All are potted plants, ranging in size from four to 10

inches. "We can grow larger ones upon special order," says Noll, pictured with her granddaughter at left.

The business is not far from Apopka, FL, which, according to Noll, is one of the central places in the country where cut-flower greenery is grown. "We've been in business for so long, and know many of the distributors, so they stop here and pick up a load of our plants to include on their journey."

Noll has been reading the magazine for some time. "We read it for the information on the floral industry, but also for the wonderful information about fresh fruit and vegetables," she says.

How To Win! To win the PRODUCE BUSINESS Quiz, the first thing you have to do is enter. The rules are simple: Read through the articles and advertisements in this issue to find the answers. Fill in the blanks corresponding to the questions below, and either cut along the dotted line or photocopy the page, and send your answers along with a business card or company letterhead to the address listed on the coupon. The winner will be chosen by drawing from the responses received before the publication of our April issue of PRODUCE BUSINESS. The winner must agree to submit a color photo to be published in that issue.

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- 1) What type of track lighting does Baero tout as the "most powerful track-based LED fixture in North America?" _____
- 2) Name three brands marketed by NatureFresh Farms. _____
- 3) According to Avocados from Mexico, which area of the country has experienced the largest regional sales growth in avocados? _____
- 4) Name three commodities sold by Vision Import Group. _____
- 5) What are the three varieties of Florida citrus marketed by Duda Farm Fresh Foods? _____
- 6) What is the address of Gambles Market Operations? _____

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INDEPENDENT RETAILERS STEP IN WHERE CHAINS FALTER

By James Prevor
President & Editor-in-Chief



In urban areas all across the country, independent retailers are booming, often filling up spaces vacated by conventional chain stores. These new independents are typically ethnic stores, very often Latino or Asian.

The success of such retailers deserves careful study by anyone who cares about things such as food deserts or, for that matter, about the policies necessary to revive

the economy. If you go to a city such as Los Angeles, you quickly find that there are lots of locations in which firms such as Safeway and Kroger couldn't succeed but that thrive under other management. The question for policymakers to investigate is, why this is so?

The easy answer is to credit the focus of the management of these stores. Unlike the major chains that try to serve a broader audience, these owner-operators have a laser-like focus on their particular clientele. They know what items these customers want, how to get them, how to merchandise them and so how to capture this customer.

All this is true and important, but is not really explanatory. Large chains know how to micro-market, and if they could compete simply by changing assortment, many would do so. There is a bigger story here, a story with public-policy implications.

First, these stores are all non-union. This may result in lower wages and thus a cost advantage, but, in many cases, the big win is not so much lower wages, but enormous flexibility. A clerk can be working the produce aisle one minute, doing some carpentry in the back room the next and fixing the bathroom when it overflows. If business is slow, they send the clerk home. If they are busy in the morning and at night but dead during the day, they put people on swing shifts. Union contracts, whether through wages, benefits, job restrictions, minimum-hour requirements, etc., can sometimes turn a viable business opportunity into a business failure. Thus we have all these empty locations abandoned by the major chains.

Second, these stores are often located in marginal neighborhoods that require vigilance in reducing theft and crime. Sometimes they deal with this by violating anti-discrimination laws and hiring kinsmen while rejecting other employees due to race or religion. Because these people are in the same community, there are powerful communal pressures to not steal. These retailers often deal with shoplifters and others through non-official channels. They know how to take a thief downstairs and teach him a lesson so that, next time, the

thief will find some other store to rob. It is very difficult to compete with this by just calling the police.

Third, these stores can often fly under the radar on procurement policies. Imagine the local wholesale market overloaded with, say, a rejected load of foodservice packages of spinach. Big chains can't buy this — it is illegal to sell these unlabeled bags at retail. These independent ethnic stores will often take a chance, reorganize their displays and will be sold out before anyone notices.

These are powerful advantages, and if one is looking to encourage economic growth in the country, there is a lesson here. Free labor markets and non-bureaucratic approaches that allow businesses to procure what they choose where they choose — combined with a government that can actually protect businesses against theft and physical harm — is the kind of recipe that leads to economic growth.

At the same time, such a freewheeling approach poses many challenges. If we actually want national food safety standards, it means we have to avoid expecting retailers to play any role at all. Big chains have to compete with these ethnic independents, and that means they have to pay the same price for goods. So the whole

infrastructure of retailers demanding audits and segmenting suppliers based on food safety criteria disadvantages large chain retailers against these ethnic independent competitors in a manner that is unsustainable.

This is a big deal in fresh produce. In grocery items, these ethnic independents often have such specialized offerings that the mainstream consumer wouldn't find the products they want on the shelves. This is, however, not the case in produce.

So these ethnic independent retailers are offering great bargains on fresh produce and succeeding in wooing consumers just for fruits and vegetables, so the fresh produce departments are often disproportionately large in these stores.

The success of these ethnic independents should be humbling to the industry. Few of these stores are involved with trade associations or other communal industry institutions. Few commodity boards or companies are able to reach them with their merchandising efforts. These ethnic independent retailers achieve quite nicely without any help.

Many stores have had to close because a Wal-Mart Supercenter moved into its marketing area; many more will also close because new competitors such as the ethnic independents are primed to take market share by serving the fastest growing segments of the U.S. population.

pb

**The success of ethnic independents
should be humbling to the industry.**

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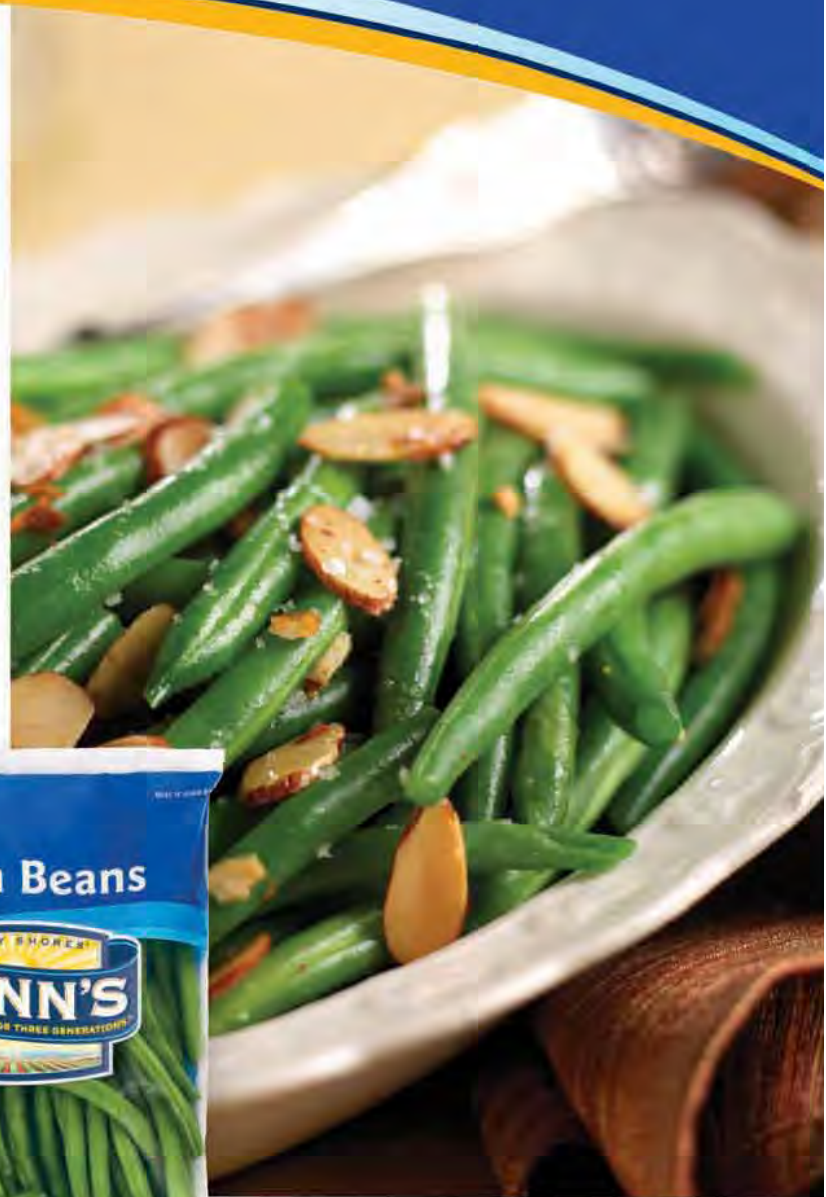
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NEW CONGRESS MEANS NEW OPPORTUNITIES AND CHALLENGES

By Julie Manes
Director of Government Relations

Congress is back in session and the legislative outlook always holds the potential for opportunity and challenge. On top of the usual complicated nature of a congressional session is an extra layer of unpredictability brought on by being in both a congressional and presidential election year. With that in mind, let's consider what could happen on these issues of particular importance to our industry.

Farm Bill: Last year, Congress passed legislation that increased the debt ceiling, but also included an unprecedented initiative for the formation of a so-called Super Committee, comprised of Democrat and Republican members of the House and Senate, to come up with a set of recommendations on how to decrease federal spending. As the Super Committee commenced with discussions about all categories of federal spending, key ag policymakers, anticipating the likely decrease in funds available for ag priorities in the future, took this unusual opportunity to develop a Farm Bill proposal earlier than necessary. The Farm Bill proposal cut spending, but also preserved ag priorities, including a number of specialty crop priorities such as block grants, research and pest and disease management. Unfortunately, the Super Committee could not reach agreement on overall spending priorities and so the Farm Bill proposal did not advance.

So that takes us back to so-called "regular order," a concept that, believe it or not, does exist in Congress. What that means is that Congress will now pursue a path toward Farm Bill reauthorization that is in keeping with how it's been done in the past. This means committee hearings, votes in the ag committees on proposed changes to Farm Bill programs and then votes in each of the House and Senate on what the ag committees decided, then on to the President's desk.

The current Farm Bill expires on September 30, 2012, so Congress will need to take action by then. But that could mean

Congress could basically extend the current legislative authority for Farm Bill programs until after the elections, when the political dynamics subside for a while. That would be an opportunity for Congress to pursue a full reauthorization process.

In conversations with key congressional staff about the Farm Bill outlook, the word *extension* comes up repeatedly. However, that's not official until lawmakers who lead Farm Bill deliberations come to an agreement on how to move forward. It is very possible that a complete reauthorization will not occur in 2012, but in 2013.

E-Verify: The produce industry spent much of last year addressing legislation that had been introduced by Congressman Lamar Smith of Texas, chairman of the House Judiciary Committee. Congressman Smith's legislation would require all businesses nationwide to use E-Verify, the computer system run by the Department of Homeland Security that verifies a worker's authority to work. Under the E-Verify system, if the documents submitted by an employee can't be verified, that individual cannot legally be employed. Through a vigorous, sustained advocacy effort, the specialty crop industry was able to shed enough light on how the industry works, and raised enough concerns that the proposal did not get further than the House Judiciary Committee.

It is not clear just how aggressive Chairman Smith will pursue this proposal in 2012, and there are no signs that top leadership in the House is anxious to act on this measure. However, the initiative is one that the chairman still solidly supports and there are others in Congress who favor mandating E-Verify, and it is an idea with some political appeal. For the produce industry, we have always conveyed that if mandatory E-Verify is to move forward, it must also be paired with a federal program that helps ensure a viable ag workforce. Without that, mandatory E-Verify could seri-

ously undermine the ability of the produce industry to supply Americans nationwide with a steady supply of abundant fresh produce.

Even though the legislation didn't get very far in 2011, it would be a mistake for our industry to assume that it's over. What happens at the state level is often a harbinger of what is to come at the federal level, and changes in the membership of the Congress and the Administration brought on by the upcoming elections could also impact the Bill's chances for success. As an industry, we need to continue the concerted effort to make sure policymakers know how our industry operates, dispel myths held by those unfamiliar with fruit and vegetable production and what our sector of ag production needs to remain viable.

Surface Transportation Reauthorization: Could this be the year that Congress actually passes a multi-year reauthorization of programs for our nation's highways and infrastructure instead of yet another short-term extension of the current authority for those programs? There are signs that just might happen: the Speaker of the House, John Boehner, has said that this is a key priority for the remainder of this session of Congress, and the chairman of the House Transportation and Infrastructure Committee, John Mica, has said that he considers the expiration date of the current authority, which is March 31, to be a "hard deadline" that could force Congress to take action. Certainly, such action is needed.

The current authority has been extended eight times, having originally expired in 2009. Since the quality of our nation's highways and infrastructure touches the lives of all Americans and affects how efficiently the produce industry can conduct business, getting a real examination and reauthorization of these programs is a key priority for United. We'll be spending much of this year working with our members who work most closely on transportation issues to maximize any opportunity for advancing produce industry priorities.

In Loving Memory

Jose Nieves "Pepe" Carreon

May 22, 1965 - December 31, 2011



Jose Nieves "Pepe" Carreon (left) with his dear friend Nick Dulcich (right).

Jose Carreon was a world renowned table grape grower. He worked with his family at A. Carreon Vineyards in Arvin California. Jose was passionate about being the best in the industry. His commitment to the success of his business knew no bounds. Jose invested his time and efforts and was not afraid to take risks to make his business grow. He was dedicated to producing the finest product and understood that quality and integrity was the key to success.

He was a true friend, son, brother, uncle, husband and father.
I will miss you my friend. I will never forget you.

Rest in Peace,
Nick Dulcich
Sunlight International

The Influence of Price Discount Versus Bonus Pack on the Preference for Virtue and Vice Foods

EXECUTIVE SUMMARY BY ARUL MISHRA, ASSISTANT PROFESSOR OF MARKETING IN THE ECCLES SCHOOL OF BUSINESS AT THE UNIVERSITY OF UTAH, AND HIMANSHU MISHRA, ASSISTANT PROFESSOR OF MARKETING IN THE DAVID ECCLES SCHOOL OF BUSINESS AT THE UNIVERSITY OF UTAH.

Human beings have always had a complicated affair with food. Eating is necessary to stay alive, so nature has made food difficult to resist. However, in recent times, overeating has led to one of the most pervasive problems developed society currently faces — obesity. Recent data indicates that 67 percent of the population in the United States is overweight, which includes 17 percent of children between the ages of 6 and 19, making obesity one of the most serious health concerns. Policy initiatives, such as increasing the availability of and providing subsidies for healthy foods (e.g., fruits and vegetables) and restricting or taxing unhealthy foods, have been proposed to increase the purchase of healthy food items. The food industry is blamed to a large extent for the current obesity problem and is expected to take constructive actions that can help consumers stay healthy.

The findings of this article provide one way through which both consumers and marketers can benefit. In this research, the authors explore how price- and quantity-based sales promotions can influence the consumption of vice foods (e.g., unhealthy food, such as a chocolate cake) and virtue foods (e.g., healthy food, such as raisins). Specifically, the findings show that people prefer a bonus pack to a price discount for healthy food items, but they prefer price discounts to a bonus pack for unhealthy food items. For our research purposes, a bonus pack is defined as offering more of the product for the same price, and a price discount is defined as offering the same product at a reduced price.

We propose that consumers exhibit a preference for price discounts over bonus packs on vice foods because a price discount provides them with a reason (buying on a deal) to purchase, which helps mitigate their guilt and reduces the need to exercise self-control (i.e., not consuming at all). Therefore, consumers are better able to resolve the conflict between indulgent con-

sumption and healthfulness. Conversely, because there is no conflict between consumption and guilt for a virtue food, people are happy to buy more of it — a bonus pack. Indeed, the purchase and consumption of virtue food helps people achieve their goal of staying healthy. Five studies provide support for the proposed research and the underlying theory.

This work has several managerial and policy implications. Both bonus packs and price discounts are categorized as different forms of price discrimination strategies that retailers use to increase profitability, because both provide a savings benefit to the consumers. The findings suggest that because consumers do not perceive these two promotions similarly, managers might benefit from offering a price discount for vice foods and a bonus pack for virtue foods. By offering bonus packs with virtue foods, managers can not only increase sales but also improve brand image; consumers will feel good after consuming virtue foods and might attribute the positive emotions to the brand. From a policy standpoint, this research provides insights that can benefit both marketers and consumers. At a time when consumers are looking for ways to increase virtue food intake and society is struggling with concerns of obesity and related health issues, marketers can guide consumption by providing a bonus pack instead of a price discount on virtue foods. These findings indicate that by providing a price discount on vice food, consumers can indulge their wants in moderation. By controlling their consumption of vice food, consumers may be faced with a detrimental situation of self-control failure. A price discount allows consumers to justify their purchase of a vice food, helps them consume vice food in moderation and reduces their chances of self-control failure.

At a time when consumers are looking for ways to increase virtue food intake and society is struggling with concerns of obesity and related health issues, marketers can guide consumption by providing a bonus pack instead of a price discount on virtue foods. These findings indicate that by providing a price discount on vice food, consumers can indulge their wants in moderation.



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Vice Vs. Virtue In Perishables

BY JIM PREVOR, EDITOR-IN-CHIEF, PRODUCE BUSINESS

The question of how foods can be most effectively marketed is of great importance to the food industry. Beyond that, anyone who has watched *Supersize Me*, the documentary (or political screed, depending on your politics) focused on the impact of fast food on the American diet, has had to consider the public-policy implications of the industry practice of selling food by offering more for less — as exemplified by the fast-food practice of “supersize it,” or the retail practice of “Buy One, Get One Free.”

The conventional wisdom, supported by some meaningful research, has long been that consumers generally prefer bonus packs to price discounts. Retailers and restaurants have found the practice more profitable than discounting, and so this has become a standard marketing approach.

Now Arul and Himanshu Mishra, both assistant professors of marketing at the University of Utah’s David Eccles School of Business, have done an extensive research project that suggests an important caveat to this line of thinking. They found that generally speaking, although consumers prefer a bonus pack for what the researchers call “virtue foods,” such as fruit salad, they prefer a price discount for what the researchers call “vice foods,” such as chocolate cake.

The logic here is that although consumers normally prefer a bonus pack because they focus on the bonus as “something for nothing” rather than the price and on “virtue foods” may even welcome the opportunity to be virtuous and eat more of these healthy foods, on “vice foods” they don’t consider more to be necessarily beneficial as they don’t want to consume excessively, so would rather have a price reduction.

For fresh produce marketers, the general concept of preferring a bonus quantity is an insight mostly ignored in fresh fruit and vegetable marketing. Aside from the occasional BOGO, almost all Best Food Day ads and in-store specials focus on price discounts. This research indicates that consumers may be more receptive to a “buy ten apples at their regular price and get three apples free” than

they are to a price reduction. Experimentation with this certainly is justified as a way of helping shippers, retailers and public health.

Still, though the researchers tried diligently to think through any possible objections to their research — doing an initial survey and then five subsequent experiments designed to address various alternative explanations for the results — the validity of the results and, more important, their application to real world marketing will require additional study.

One problem with the research is that the choice of products utilized in the study may have biased the results. The initial study was a survey done in a Starbucks, which used two baked goods — low fat blueberry muffins as the virtue food and chocolate chip cookies as the vice food. The nature of these products as perishables means that the issue of consumption is pretty short term. So it makes sense that there is a limit on the number of cookies one wants to eat in a short time frame.

What if, however, the “vice food” was something easily stored, say a good quality vodka? It is not obvious that vodka drinkers would prefer a lower price to more vodka.

Another obvious point regarding the studies is that they are solely focused on consumer preference without considering the business dynamics that drive promotions. If a retailer or a restaurant normally makes 50 percent gross profit on a \$10 sale, the establishment is earning \$5 gross profit. If the establishment reduces its price by 50 percent, the retailer or restaurant earns nothing. If the retailer or restaurant increases the amount of food given out by 50 percent, the establishment still earns a gross profit of \$2.50. The researchers were not at all focused on how such a strategy would impact the profitability of retailers, restaurants and manufacturers.

This means that there is a real question mark as to the practicality of the study as it offered consumers a choice that the real world is unlikely to provide. There are many costs to selling an item that don’t go down because the quantity goes down. For exam-

This study gives some indication that there may be opportunity here for produce, but the idea that price cuts will beat out value packs on “vice goods” will require a more real world analysis.

ple, it costs the same thing to run a 6-oz. package or an 8-oz. package through the front end. It costs the same to advertise a price reduction or a value pack. This is why warehouse clubs are such fierce competitors.

In all of the studies the researchers conducted, they assumed an equivalent price decrease or bonus pack. In other words, it was 20 percent more chocolate cake or a 20 percent reduction in the price of the cake. In actuality, the choice is likely to be a 30 percent bonus size cake or a 10 percent reduction in price — and the study didn’t address how consumers might value such asymmetric promotions.

The produce industry should look at minimum package sizes and different promotional ideas. It is hard to believe that consumers would regularly buy 5 lbs. of Clementines if the Spanish and Moroccans hadn’t originally shipped them in those boxes. This study gives some indication that there may be opportunity here for produce, but the idea that price cuts will beat out value packs on “vice goods” will require a more real world analysis.

TRANSITIONS



PERI & SONS FARMS YERINGTON, NV

Cindy Elrod has joined the sales team of Peri & Sons Farms, where she will focus on building new relationships directly with retailers and expanding participation in the company's Onions All Year program. Elrod's broad-based produce experience spans more than 25 years, beginning in Southeast Idaho where she sold potatoes for her family's potato-packing facility. She went on to work for a national produce broker for 10 years before accepting the challenge of opening an outside sales office for a produce company in Salinas, CA. In 2003, Cindy once again opened an outside sales office for an onion packer in western Oregon.

MANN PACKING CO. INC. SALINAS, CA

Mann Packing is expanding its sales staff in Canada, with the addition of **Ben Alviano**, who joins the company as a national account manager. Alviano brings to Mann a sales and marketing background that includes time spent at the Pepsi Bottling Group, Proctor & Gamble and Magna International. He was most recently the sales operations manager and director of sales and national accounts at Weston Bakeries Limited, a wholly owned subsidiary of Loblaw, which manufactures and sells bakery goods to Loblaw and other Canadian retailers. Alviano's responsibilities will include all retail grocery trade in Canada, as well as responsibility for Costco business in both the U.S. and Canada.



APEAM LOS ANGELES, CA

The Avocado Producers and Exporting Packers Association of Michoacán (APEAM) has appointed **Eduardo Serena** as the new interim marketing director for Avocados from Mexico. Serena steps into the role previously held by Emiliano Escobedo, who has accepted a new position as executive director for the Hass Avocado Board. As a business development manager, Serena has spent the past eight years working closely with growers, importers and retailers. Prior to that, he executed USDA programs in avocado orchards and packing-houses in Michoacán and gained valuable industry experience as an avocado logistic organizer for the domestic market.



PURE HOT HOUSE FOODS LEAMINGTON, ONTARIO, CANADA

Pure Hot House Foods has hired **Marina Davidson** as the director of procurement. Davidson, a 10-year greenhouse veteran, began her career at Cris-P Sales and also worked for Mastronardi Produce. Her most recent role was as sales manager at Interocéanica, one of the larger box suppliers based out of Celaya, Mexico. She brings with her the experience of developing grower networks in multiple countries, solid communication and understanding of the market and an outstanding reputation to create fair and equal partnerships.



ANNOUNCEMENT



KINGSTON & ASSOCIATES ADDS MANGOS TO TROPICAL LINEUP
Idaho Falls, ID-based Kingston & Associates Marketing LLC has expanded its Central and South American import program with the addition of mangos

to its tropical lineup. With over 20 fresh produce items sold amongst three regional sales offices, the expansion capitalizes on Kingston's synergistic supply chain of growers, trucking logistics, food safety personnel, warehousing and marketing professionals.

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ANNOUNCEMENTS

**DUDA ANNOUNCES
NEW CELERY PATENTS**

Duda Farm Fresh Foods, Oviedo, FL, has been granted seven new patents for its celery varieties. The patents cover both Sweet Sensations and Celery Sensations varieties, each with unique attributes and benefits to consumers. Celery Sensations were developed with a special hollow stem to create high quality, natural celery straws, while

Sweet Sensations were created with a special focus on flavor. In addition to these varieties, Duda submitted five other applications to the patent office earlier this year for new developments.

**FRIEDA'S OFFERS CHINESE
NEW YEAR PROMOTION TIPS**

Frieda's is working with produce retailers to promote Asian produce specialties for Chinese New Year. Asian cultures around the world will be celebrating the 15-day long tradition, and the entrance of the Year of the Dragon, with their families and friends over special feasts with foods to symbolize abundance, wealth, longevity and good fortune. A longtime leader in the specialty Asian produce category, the Los Alamitos, CA-based company has many recommendations for a "Year of the Dragon" display. Chinese New Year is a great opportunity to build produce sales after the boom of the traditional Holiday period.



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**2012 SUPER SWEET KIKU APPLE CROP ARRIVES**

Wenatchee, WA-based Columbia Marketing International has announced the arrival of the USA-grown Super Sweet KIKU Apple crop, which is available for a very limited time. The KIKU apple has a super sweet taste, attractive ruby-red color, and is crunchy with firm flesh, and very juicy.

NEW PRODUCT

**GREENLINE FOODS LAUNCHES
NEW SIDE KITS NATIONALLY**

Perrysburg, OH-based GreenLine Foods will be launching a new product line to retailers across the United States. Side Kits contains GreenLine's washed and trimmed green beans, a sauce/flavor packet and a flavor topping in a convenient, resealable package. The Side Kits will initially be offered in three flavors: Asian Tamari, Classic Almondine, and Garlic Parmesan. GreenLine will be adding seasonal Side Kits to the mix in 2012 with a Holiday In & Out in a larger size as well as a Summer Side Kit that can be served hot or cold.

**CRUNCH PAK TEAMS UP WITH DISNEY**

Crunch Pak is collaborating with Disney on a promotion supporting the release of the Disney classic, *Lady and the Tramp* on Blu-Ray, in February. The Cashmere, WA, company will offer a coupon for \$3-off the purchase of *Lady and the Tramp* on Blu-Ray and DVD on 1 million Disney-branded Crunch Pak products including 14-oz. sliced apple bags, Foodles and Cars 2 multi-packs. The offer runs from February 7 to April 7.

Produce Watch is a regular feature of PRODUCE BUSINESS. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com



On Top Of The World...Or Your Local Supermarket: Are Rooftop Hydroponic Greenhouses The Future Of Farming?

FROM JIM PREVOR'S PERISHABLE PUNDIT 11.04.2011

Urban agriculture is a big thing now. Many times, farms are created directly on the rooftops of large towering buildings. It is always awe inspiring to see successful farms with a backdrop of the Manhattan skyline. If that's not enough, imagine greenhouses on the roof of supermarkets all across America. We asked Pundit Investigator and Special Projects Editor Mira Slott to find out more in a question and answer session with Benjamin Linsley, vice president of business development and public affairs with BrightFarms, based in New York, NY.

Q: How did BrightFarms come about?

A: BrightFarms is the successor company to several others. We've been working five years putting greenhouses on rooftops, now exclusively with supermarkets. We strategize turn-key solutions, where we design, finance, build and operate hydroponic greenhouses on rooftops of supermarkets or nearby locations, sometimes in the back of their distribution center.

Q: Which retailers are involved, and are any of these rooftop greenhouses up and running?

A: We've just announced an agreement with McCaffrey's Markets in Langhorne, Pennsylvania, to build and operate a greenhouse farm directly at one of its grocery stores. We've been in negotiations and are developing greenhouse plans with McCaffrey's and two additional supermarket chains the past eight months, and we've received a lot of interest from other leading retailers about our business model. At this point, the downside is that none of the greenhouses on that scale have been built yet. Our first three supermarket greenhouses are scheduled to be built [in 2012].

Q: Is the rooftop greenhouse...at the Manhattan School for Children a small scale representation?

A: Yes, it serves as a model. As consultants, we were focused on designing greenhouses for other uses, including for public schools in New York City, that are used for school cafeterias and to help kids learn about healthy eating, but not for commercial production.

We view the smaller greenhouses as environmental education centers. Students learn how to grow produce in a hydroponic greenhouse using modern agricultural technology. Class projects teach kids about local farming, produce and environmental sustainability, and the lessons become integrated into their school curriculum.

Supermarkets we've been talking to are clearly interested in big production greenhouses, but say they love the idea of having a greenhouse as a community resource for local schools and to tie back to the local supermarket in new ways to excite children about eating fresh produce.

The shell of this rooftop greenhouse is high-end and robust, built for 50 years with glass, steel aluminum, and everything automated by computer system to monitor and adjust humidity and temperatures. Still, these projects are much different in scale and magnitude.

Q: How different? What is the scale of these retail rooftop greenhouses? Could you describe the business model in more detail?

A: The ones [we plan to build] are all about 40,000 square feet

to 45,000 square feet.

Development is quite complicated. Essentially, the business model works like this: The supermarket agrees to a long-term, 10-year purchasing agreement. We work together to set the price, quality, and volume of produce, and agree on an arrangement to secure stable prices for 10 years. The predictable price allows us to go out and raise capital. The hard work gets done early on with the legal agreement. Those negotiations are complex, but we are hoping to announce more partnerships soon.

Q: Does the supermarket need to invest money upfront to jumpstart the project?

A: The supermarket is not paying for anything. The only thing the supermarkets pay for is the produce they would be paying for anyway. They figure out on average how many pounds of cucumbers, tomatoes, or other items they'd want through the greenhouse and a set price based on what they'd pay normally.

Q: Approximately how much quantity and for what time periods are they projecting out?

A: Some \$1 million to \$1.5 million wholesale per year. That would be produce they'd be buying anyway, which we'll supply out of our greenhouse. The produce is much better quality because it's harvested and on the shelves in 24 hours. Some of the supermarkets would need to build the greenhouse a couple blocks away. Many are looking at building on the roof, where the produce is right there. It's much better because it's fresher for a longer shelf-life resulting in less shrink. Overall margins are improved, and customers will want to buy more. It's also environmentally beneficial with no shipping and no carbon emissions.

Q: In the produce world, prices can fluctuate significantly due to numerous variables; it's a real supply-and-demand business. Are you experiencing any resistance from supermarkets that don't want to commit to a set price in your 10-year contractual agreement?

A: The interesting thing is that we initially understood supermarkets don't tend to go into long-term commitments for produce, and certainly not for 10 years. We were curious to see if supermarkets would buy in a completely different way. We agree to a quality standard so if for any reason quality is not there, the retailer can reject it. Making the commitment to a price that you know in advance for the next year provides a real sense of security.

It can be annoying when prices go up and down on a staple commodity; some like the game of offsetting profits, but a lot of buyers find it frustrating, and with oil prices up and down, a truck from California can be low one week and high another, and retailers often have to eat that price. We remove market randomness and uncertainty, but we have to work carefully and patiently through people's concerns.

If the retailer has a set price at what they consider very attractive, \$1.90 for a pound of xyz, they can enter a contract and lock it in. Our contract prices creep up very, very slowly based on the Consumer Price Index, a factor of two or three. For produce, prices historically rise faster. For example, average prices on tomatoes went up six or seven percent over the past 15 years. If retailers

project ahead, prices locked in through a contract over 10 years can be more beneficial.

Q: What products are available through your greenhouses, and are supermarkets targeting particular items?

A: The greenhouses use hydroponic growing techniques to produce all lettuce varieties, chard, mustard greens, kale, all the fresh herbs, tomatoes, cucumbers, peppers, squashes and a range of berries. The reason for this set is that they're the most perishable items and people want them year-round. This justifies the cost of the greenhouses, which are very expensive to build and operate.

There's an urgency of getting lettuce from field to shelf. A box of lettuce in the middle of winter lasts a day or two. It's not an ideal situation trucking product six days from California when it has a 10-day shelf life.

We inform retailers of the range of products we can grow. The ones they know they are getting from big industrial greenhouses in Canada are desirable. Supermarkets know customers would benefit getting product faster and fresher.

Q: Do you think the attention on locally grown and sustainability practices is driving interest?

A: The growth and interest in locally grown produce is so great

We need to achieve three things: provide better food because it's fresher; better prices because we're cutting out all that transportation; and a more stable price because it doesn't go up as much as inflation.

at the moment. Supermarkets are trying to keep up with it. We are coming in at a good time as people become interested in environmental issues. The pushback on local is less about the use of local land, and more about jobs, hiring growers and staff from that state and helping local economies. But good quality is always the bottom line. Per acre or square foot of land, the greenhouse can produce 30 times more yield than conventional field agriculture.

Q: Could you clarify the scope of BrightFarms' responsibilities? Does your company actually operate the greenhouses once they are completed? Do you hire experts and specialists to run day-to-day operations? How do you manage these ventures to ensure contractual agreements are being followed?

A: BrightFarms is a finance management development company. We work with supermarkets to develop contracts and design and build the greenhouses, but once they're up and running, it's a farming job.

We look for young farmers in that state or region, so local farmers are working in every region across North America. We are dedicated to finding local farmers to support the local community. Sometimes this requires training in hydroponic farming. It could be just a matter of not having enough experience in certain crops. Then it is their responsibility to hire staff, operate and develop the

right quality.

We watch them from afar to be sure they are following contract requirements, and if needed, we can provide additional training, logistics, and equipment. Farmers clearly have to do rigorous quality assurance plans and training, but at the same time this structure is a highly automated and technology-focused operation, which is half the job.

Q: What are your biggest challenges? What are the biggest opportunities?

A: The biggest challenge is simply that it's a new concept. People justifiably need to work through each part of the idea in detail. Many supermarkets responded to marketing emails and phone calls very soon after we launched the business in January (2011), and we spent the next few months in discussions.

Committing to a 10-year plan is a different way of buying produce. They need to have the patience to understand how the process works, this is what happens if produce arrives on one day and they don't like it, etc. There is nothing brand new here; all the technology exists. The business model is actually copied from the solar rooftop industry, where companies signed long term power agreements and used to pay for construction and installation of panels on their roofs.

Going through the supermarket's vice president of produce and engineering team, these are all new ideas. The challenging work is going through this process. All chains have different procedures. All have different strengths and weaknesses that impact the best approach.

The opportunities are quite considerable. We like to articulate the benefits of our business model. We need to achieve three things: provide better food because it's fresher; better prices because we're cutting out all that transportation; and a more stable price because it doesn't go up as much as inflation.

We don't think customers should pay more for better produce. Food safety issues are alleviated and it's better for the environment in many ways. For example, we have a closed loop water system unit with all recycled water, which is the most efficient form in agriculture use. Each component is desirable, and we need to make sure all three exist at the same time from this business model.

Supermarket executives will see that ultimately as retailers they are judged on price and quality of the product. The rooftop greenhouse allows the opportunity to deliver to their customers a box of lettuce arriving on the shelf the first six days of its natural shelf-life. Tomatoes can be grown for nutritional value and taste, not for shelf-life, and picked when ready.

It is an interesting idea, but so far it raises as many questions as answers. Certainly many retailers will be interested in doing something like this as a PR measure, and supporting the school versions is a no-brainer. Still, there are real questions about the sustainability of the business model.

Will it produce needed yields? Can they audit for food safety in a way acceptable to big chains? Is it scalable — where will all these young farmers, expert in hydroponics, come from? How will supermarkets handle it if contract prices diverge from market prices in a way that hurts profitability? Will supermarkets commit for 10 years?

The company has a video that is pretty good at knocking the conventional produce industry. Finding fault is easy, but doing it better is hard. We wish BrightFarms and its staff well, but we will see when the commercial scale operations start opening.

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Email: info@nationalgrocers.org

Website: www.nationalgrocers.org

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Conference Management: Southeast Produce Council, Inc., East Ellijay, GA

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Email: info@seproducecouncil.com

Website: www.seproducecouncil.com

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Website: www.worldfloralexpo.com

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Email: info@freshfrommexico.com

Website: www.freshfrommexico.com

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Email: fruitsandveggiesmorematters.org

Website: www.pbhfoundation.org

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Conference Management: Canadian Produce Marketing Association, Ottawa, Ontario Canada

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Email: info@cpma.ca

Website: www.cpma.ca

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Conference Management: Fresh Produce & Floral Council, La Mirada, CA

Phone: 714-739-0177 • **Fax:** 714-739-0226

Email: info@fpfc.org

Website: www.fpfc.org

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Conference Venue: Gillette Stadium, Foxboro, MA

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Website: www.newenglandproduce.com

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Website: www.unitedfresh.org



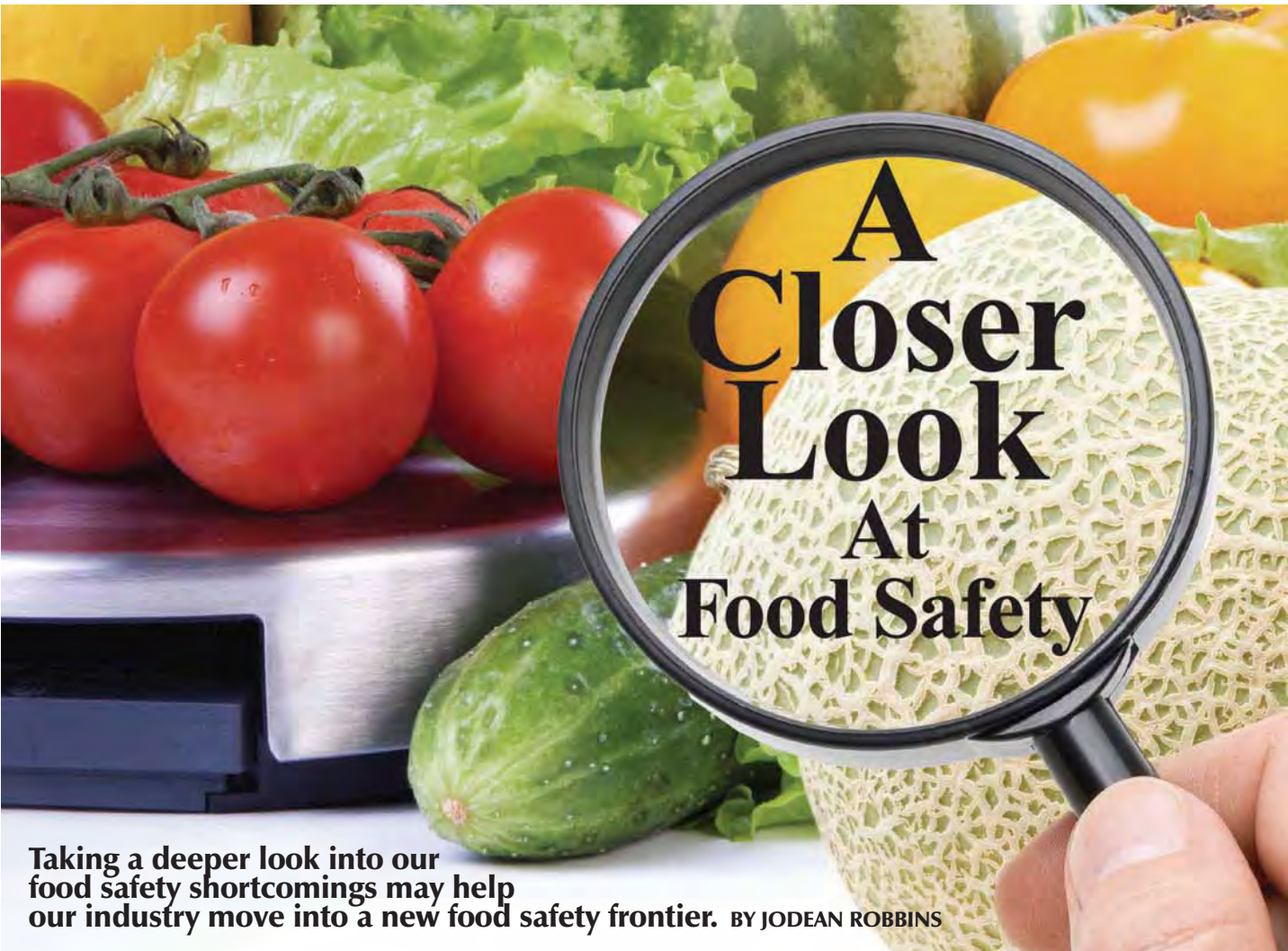
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A Closer Look At Food Safety

Taking a deeper look into our food safety shortcomings may help our industry move into a new food safety frontier. BY JODEAN ROBBINS

Despite the produce industry's best efforts to implement comprehensive food safety programs, we continue to suffer outbreaks, resulting not only in tragic consumer illness and death, but also damage to business and reputation. "When there is an outbreak in the produce industry, we are reminded to always strive to do better," says Scott Horsfall, CEO of the Sacramento-based California Leafy Greens Marketing Agreement. "USDA now recommends Americans fill half their plate with fruits and vegetables. It's our responsibility to ensure American consumers feel safe doing that."

"The fresh produce industry deals with rare events in statistical terms, made frequent due to the sheer magnitude of opportunities," states Robert F Stovicek, president/chairman of PrimusLabs.com in Santa Maria, CA. "Maintaining a focus on food safety is particularly difficult in an environment where perishability forces routine demands for our attention on a daily, or even hourly, basis."

The spinach incident in 2006 roused the industry and initiated the impetus for prioritizing food safety. "Prior to spinach in 2006, there was a lackadaisical it-couldn't-happen-to-me approach among many producers," says Tim York, president of Markon Cooperative, headquartered in Salinas, CA. "The industry had a wake-up call in 2006, and there's been nothing short of a sea change since."

Retailers, suppliers and government have all contributed to advances in the past two decades. Maria Brous, director of media and community relations for Lakeland, FL-based Publix Super

Markets Inc., reports, "In 1999, Publix began a program to provide preference to suppliers willing to adapt voluntary on-the-farm food safety audits. Other improvements include industry-developed food safety guidance for leafy greens, melons and tomatoes. In 2009, the Association of Food and Drug Officials (AFDO) led a collaborative effort to develop on-farm food safety regulations to be adopted by state and local regulatory agencies. Currently, the FDA is assessing produce safety as mandated by the Food Safety Modernization Act."

Statistically, the broad picture shows notable achievement, but in practical terms, even one shortfall is too many. "We estimate the fresh produce industry sells one billion servings of fresh produce in the United States every day," says David E. Gombas, Ph.D., senior vice president of food safety and technology for United Fresh Produce Association in Washington, D.C. "In the past 10 years, FDA reported 73 outbreaks linked to fresh produce production, handling and fresh-cut processing. That's actually an impressive safety record, but clearly not good enough. No one in produce ever wants anyone to get sick from their products. So how does an industry improve on a safety record that appears to be 99.99999 percent effective?"

"Since the spinach outbreak in 2006, the industry has made significant changes in how they view and value food safety," adds Dave Corsi, vice president of produce and floral merchandising for Wegmans Food Markets in Rochester, NY, with 79 stores. "The industry has been very aggressive, but we need to keep looking for answers to the questions for which we don't have answers."

Food safety leaders point to a needed change in how the industry

"NO ONE IN PRODUCE EVER WANTS anyone to get sick from their products. So how does an industry improve on a safety record that appears to be 99.99999 percent effective?" — DAVID E. GOMBAS, PH.D., UNITED FRESH PRODUCE ASSOCIATION

attacks the issue. "Much of the focus over past decades has been on audits and standards," states Bob Whitaker, Ph.D., chief science and technology officer for the Produce Marketing Association (PMA) in Newark, DE. "We've been looking more at the tools, as opposed to the underlying factors, to make produce safer. If we're going to see real change in our industry, we need a mind-set change."

More Than An Audit

Reliance on an audit and testing guarantee is perhaps one of the most common food safety myths. "Too often we've been lulled into a sense that having an audit and meeting buyer requirements means you're safe," acknowledges Whitaker. "However, they're just tools with limitations. Passing an audit is a far cry from saying you produce food as safely as you can and are managing your processes to eliminate or decrease risk."

"Some third-party service providers and auditors have sold the assumption that they have the silver bullet for food safety," adds York. "Additionally, the approach that if a 50-foot buffer is safe, then 100 feet must be even safer, has led to an escalation of standards."

A viable food safety management program should have four steps. According to Devon Zagory, principal with Devon Zagory & Associates LLC, based in Davis, CA, "The first step is to analyze the hazards in your operation. Then, you must address the identified hazards and, where possible, validate the processes used to address the hazards. Finally, verify that you are properly carrying through with those processes."

The industry's focus on third-party audits and testing only addresses the verification side. "An audit cannot verify the correct operation of a program that has not been properly implemented," says Zagory. "If the operator has not adequately identified the significant hazards, addressed them and validated the effectiveness of the processes, an audit won't mean much. Audits would be more effective if operators properly implemented the first three steps of a food safety program before submitting to the verification step."

Audits and testing are also limited by the single focus of the process. "Testing for



pathogens can be misleading in that sampling or testing cannot cover 100 percent of the product or guarantee it is free of pathogens," says Wil Sumner, director of testing services, food and agriculture division for SCS Certified, in Emeryville, CA. "Likewise, annual audits show compliance to food safety standards at that moment in time. Also, since a plant is notified of the pending audit and may prepare for the audit, this may inadvertently skew results."

However, audits, testing and certifications are invaluable if used in the proper context. "Once you get the audit, you need to respond to the issues the audit identifies," explains PMA's Whitaker. "You don't get value by just posting a score. The value comes from looking at what you missed and how you might improve on it. This is how you get an improved food safety system. It's the difference between letting an audit happen and proactively using the audit to improve your system."

LGMA's Horsfall agrees, "Our experience shows a truly effective food safety program is about much more than the 'score' received from the food safety inspector."

The true measure of success is based on responsiveness. "How the audited entity responds to the non-conformances is a better indicator of a supplier's future success," states Stovicek of Primus. "Assessing how an operation deals with non-conformances through the supply chain is critical."

"The company must look at audits from a continuous improvement standpoint rather than focusing on the ratings," agrees Heena Patel, director of auditing services, food and agriculture division for SCS Certified. "Root cause analysis must be conducted to prevent

reoccurrences of problems. The company will benefit from spending the resources needed to fix any structural issues. If the audit is conducted by a competent auditor, then the facility must take the responsibility to listen to the auditor and fix the problems found."

Take It Personally

Effective food safety must be personal and based on risk. "Being able to understand potential risks and developing good risk management programs are the cornerstone by which we'll develop effective food safety measures," says Whitaker. "We must look at it from a personal company level, not as an industry, not as a commodity group, but for a specific operation."

"Food safety is not a one-size-fits-all deal," concurs Wegmans' Corsi. "There are some common elements, but programs must be customized. Clearly, we know water is an integral component. We know manure and soil amendments can be potential sources of contamination and need to be controlled and well managed. People and personal hygiene are equally important, and we need to make certain good personal hygiene practices are part of the operation."

The lack of a customized food safety program is a crucial misstep to any operation. "One of the most pervasive problems in produce food safety assurance is that too many operations do not independently develop a risk-based food safety management program," contends Zagory of Zagory & Associates. "Instead, they simply respond to questions on an audit. It is easy to download an audit, read the questions and develop responses to them. This results in an ability to pass an audit, but often an inability to understand the hazards in an operation and effectively minimize or eliminate them."

Basing a food safety program around an audit score sets a dangerous precedent. "Some assume an audit score should be treated in a manner similar to a Good Housekeeping Seal of Approval or a JD Powers Approval Rating, which are, in both cases, claims regarding performance made to consumers," explains Primus' Stovicek. "Understanding the complexity of the fresh produce supply chain, the seasonal shifting

“RECENT EVENTS AGAIN HAVE SHOWN us that simply passing an audit does not necessarily assure the safety of the products.” — DEVON ZAGORY, DEVON ZAGORY & ASSOCIATES

of production and handling, and the lack of control points should prohibit any reasonable person from bold claims.”

“Recent events again have shown us that simply passing an audit does not necessarily assure the safety of the products,” reminds Zagory.

Failure to consider the limitations of testing is another pitfall. “Misunderstanding the underlying variability of test results and placing too much faith in them is common,” adds Zagory. “A negative product test for Salmonella does not tell you the product is free of Salmonella. It tells you Salmonella was not found on the submitted samples. Confidence in the results is a statistical matter and this should be understood before developing a testing program.”

Tests, just like audits, should be used to verify the effectiveness of a customized food safety program. “Test results can be used as a way to verify specific processes as well as the entire system,” says Sumner of SCS Certified. “Establish a database to look for trends. In terms of audits, businesses can learn from past corrective actions to develop better processes going forward.”

“Third-party auditing provides an outsider’s perspective of the staff’s successes or failures in the implementation of programs,” adds Stovicek. “Tests provide further confirmation of success or failure. A well-designed testing program, implemented prior to and following an operational change, can provide an unbiased assessment of the impact of the change.”

Research And Collaboration

One of industry’s greatest challenges is to better grasp prevention methods. Wegmans’ Corsi explains, “We need more and more

actionable research so we can understand how to prevent contamination. Research solutions must get into the hands of those who need the information.”

The Center for Produce Safety (CPS) in Davis, CA, is an example of the industry working to customize needed information. “One major limitation for our industry was the lack of produce-specific research in food safety,” explains PMA’s Whitaker. “The science for basing many of the metrics or guidance on simply didn’t exist. Led by PMA and Salinas, CA-based Taylor Farms, the industry created CPS to identify and prioritize needed research to help better implement practical food safety programs. We’ve seen valuable, practical results from CPS in the past few years.”

“The CPS initiative aims to jumpstart well focused, promising and practical research projects that could take several years for funding through traditional grant programs,” says Mason. “Already, the Center has funded over \$9 million in its first two rounds of research programs.”

CPS’ current competitive research grant programs are supported by the Campaign for Research, launched with the Wegman Family Charitable Foundation’s \$250,000 donation in June 2011. “Since then, over \$1 million has been pledged by the produce industry for new research,” reports Bonnie Fernandez-Fenaroli, executive director of CPS. “The entire produce industry has stepped up. The industry’s strength is its ability to bring together expertise and share the responsibility for problem solving.”

The industry’s openness to cooperate is an advantage. “One of the strengths I see in our efforts is the willingness to collaborate and share information and best practices,”

adds Corsi. “Entities like CPS provide a vehicle in targeting key research on where pathogens live and how they get there. When the answers are provided, we can do something about it!”

“Together, with the help of researchers and extension specialists, commodity groups can develop targeted, effective food safety programs for their growers and handlers,” says United’s Gombas. “When the 100-plus stakeholders on the Produce GAPs Harmonization Initiative Technical Working Group developed and finalized the Field Operations and Harvesting Standards, it created an effective checklist for every growing/harvesting operation. The answers may change depending on operation size, commodity or region, but the pertinent questions remain the same.”

Continuous improvement is a major step toward future goals. “One of the greatest failings of outbreaks, with no one at fault, is that we do not learn more from them,” says Gombas. “Whether it’s the ongoing litany of recalls due to a single pathogen-positive test, or outbreaks with tragic results, we typically learn nothing to help change industry practices. We have seen a few exceptions, but most recalls and outbreaks yield nothing substantive for improvement. Our public food safety system is designed to detect contamination and declare what food was at fault, but not how it happened or how to prevent it in the future.”

“It may sound cliché, but food safety is a journey, not a destination,” states LGMA’s Horsfall. “The most intensive part of adopting any new program in your business is the creation of that program; the second is making it a part of your regular operation. It should become a consideration in everything your business does.”

SMALL GROWERS: YES YOU CAN!

Food safety experts point out these key facts about food safety and smaller operations:

1. Food safety is scalable.
2. The hardest part is taking the first step.
3. A solid program doesn’t have to be fancy or complicated.
4. Costs and knowledge can be leveraged and shared.
5. Affordable, even free, help is available.

For more information, please see the article, *The Food Safety Conundrum of Small Growers* on www.producebusiness.com

A Broad Approach

To adequately ensure the safety of products, everyone in the industry must have ownership of food safety. “Each company and each and every person within a company should be looking for potential risks,” advises Horsfall.

An effective food safety program begins at the highest level. “Food safety starts with a commitment from the most senior people in the operation, regardless of the size of the operation,” says Wegmans’ Corsi. “Commit-

“COMPANIES DEMONSTRATING A FOOD SAFETY culture within their organization, from the top leadership through the new employee, should find it easier to produce safe, high quality foods than those companies that do not have a strong commitment to food safety.” — MARIA BROUS, *PUBLIX SUPER MARKETS INC.*

ment to food safety filters down through the organization and affects everything the company does.”

“Food safety begins in the president or CEO’s office,” adds Whitaker. “Top management must take it on and understand there are necessary changes and costs associated with food safety.”

Ensuring all levels of the company share a commitment to food safety promotes success. Publix’s Brous explains, “Companies demonstrating a food safety culture within their organization, from the top leadership through the new employee, should find it easier to produce safe, high quality foods than those companies that do not have a strong commitment to food safety.”

“To achieve success, the key staff members must take responsibility for ensuring each department within the facility is maintaining the program,” says SCS’s Patel. “The food safety manager cannot do it alone.”

“Some significant questions every operation should ask include to whom does the head of the firm’s food safety department report, and what is the process for reporting and taking action on standard and unanticipated events,” advises Primus’ Stovicek.

Food safety must encompass a farm-to-fork approach. Brous explains, “Farmers have a responsibility; food processors have a responsibility; transportation companies have a responsibility; warehousing and distributors have a responsibility; retailers and food service companies have a responsibility; the government has a responsibility; and customers have a responsibility.”

“Uniform adoption of food safety principles is our biggest challenge,” says Tanya Mason, vice president of business development for SmartWash, headquartered in Salinas, CA. “Comprehensive integration of programs encompassing GAP, GHP, GMP, responsible testing, tracking and wash procedures is the objective. Industry-wide adoption is the hard part. We are only as strong as our weakest link.”

Corsi adds, “All partners along the supply chain must do what needs to be done to keep produce safe. We need to keep doing everything we can to reduce the potential for

product contamination.”

“Everyone in the industry needs to realize we work within a larger system beyond ourselves,” says Markon’s York. “We are part of a global industry and our actions will affect

others. Perhaps Jensen Farms would have done things differently if they viewed themselves as not just a six-week window of product but as part of a larger organism, the global food industry.”

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Improved Training

Improving and prioritizing training is essential. "Training plays a key role," says Patel. "The facility must provide adequate time and the right tools to train the employees. Continuous training throughout the year is very important."

"Measurement of key control parameters and reduction data into performance metrics will lead to continuous improvement," advises Mason. "We work with our clients in providing training materials and support to make sure everyone is on board. Every worker should not only know food safety is a top priority but how its achievement is being measured each and every day."

"We have a responsibility to help food-service operators and consumers know companies have verification sheets to sign off on but what does that really say?" asks PMA's Whitaker. "What is the follow up? Is there individual or group training to really identify problems, make it personal, ensure employees understand the importance, and implement changes?"

The most effective training is made personal. "In my experience, training resonates best when the people being trained understand why it is important to perform a task in a certain way, rather than just telling them to do it," suggests Zagory. "When I teach workers the importance of hand washing, and proper hand washing technique, I mention how frequent and proper hand washing is not only important in their jobs but will also result in better health for their families. Good training should be relevant, informative, clear, simple and frequent."

"Training has to be provided so as to help people understand why things are important, and what can happen if those things aren't done as a routine practice," says Corsi. "People need to understand how they fit into the process, and why they matter. I've seen some great training developed as part of the National GAPS Program and the Arizona Leafy Greens Marketing Agreement. As a buyer, we provide our own food safety training to our small growers who need to be GAP-certified and provide a food safety plan for their operation."

"When you develop some real life examples as part of the training and talk with employees instead of 'at' them, the results are amazing," says Whitaker. "You are no longer pushing a food safety program on them, but it becomes a program of which

DO CONSUMERS STILL TRUST PRODUCE?

How much are consumer purchases affected by food safety issues?

Consumers are more aware today of food safety issues than they've ever been before. "The rapid dissemination of information has resulted in greater awareness," says Bob Whitaker, chief science and technology officer for the Produce Marketing Association, headquartered in Newark, DE. "We're in this business to drive consumption, but it's an uphill challenge when recalls or other benchmark events, like last fall's cantaloupe incident, occur."

Several food industry studies indicate the conundrum between perception and action on the part of consumers. Maria Brous, director of media and community relations for Publix Super Markets Inc. in Lakeland, FL, shares, "The *U.S. Grocery Shopper Trends*, published annually by Food Marketing Institute (FMI), stated how confidence in food safety is a very fluid metric that can change quickly based on the incidence and magnitude of food recalls. It reported consumer confidence in food safety in February, 2011, was at a seven-year high as the industry responded quickly and efficiently to recalls. It stated 88 percent of shoppers were 'completely' or 'somewhat' confident in the safety of food from the supermarket. While shoppers who were only 'somewhat' confident made up the larger share (71 percent), the proportion who were 'completely' confident rose from 13 percent the previous year to 18 percent in 2011."

In 2010 and 2008, the California Leafy Greens Marketing Agreement (LGMA), based in Sacramento, CA, conducted consumer surveys to learn more about consumer attitudes related to food safety. Scott Horsfall, LGMA's CEO, explains, "According to this research, 76 percent of consumers are concerned about food safety. The survey found that there continues to be a high level of concern among consumers about the safety of the foods they buy — with 41 percent very concerned and 35 percent somewhat concerned."

they develop ownership."

The LGMA program has particularly effective training. Horsfall explains, "Important aspects of a strong training program include identifying your audience and your goal, creating interesting content and incorporating a measurement tool to verify training success. It's also important to make training

The LGMA survey indicated food safety concerns do affect some consumption of healthy foods. "Nearly half (49 percent) of respondents reported they have stopped or reduced consuming a food product because of concerns over food safety," says Horsfall. "Vegetables (including leafy greens) received the most first mentions at 21 percent and the most total mentions at 34 percent."

"Consumer confidence suffers each time there is an outbreak linked to produce, and that undermines the message that produce is an important part of a healthy lifestyle," says Dave Corsi, vice president produce and floral merchandising for Wegmans Food Markets in Rochester, NY, with 79 stores.

The LGMA study did find consumer confidence positively impacted by on-farm food safety programs and buyer commitments. "When told about the LGMA program, 89 percent of the consumers surveyed expressed a favorable opinion to this approach to food safety for leafy greens," says Horsfall. "Equally impressive, the survey showed the establishment of the LGMA food safety programs, including the mandatory government audits of farms, raised consumer confidence from a baseline level of 47 percent up to 70 percent."

While food safety incidents may not affect produce consumption as a whole, the industry must confront the issue head-on in order to succeed in the future. "There are literally hundreds of products that have never been associated with a food safety outbreak and we can't say their consumption is being curtailed by food safety concerns," says Tim York, president of Markon Cooperative, based in Salinas, CA. "However, correctly addressing food safety issues and continuing to instill consumer confidence in our products remains an important goal for our industry."

Brous adds, "Long term, our ability to increase and sustain consumption of fresh produce depends on gaining and maintaining the customers' trust."

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easily accessible by bringing the training to the participants and offering language options if necessary."

"Good training provides clear objectives and the necessary implementation tools," adds Sumner. "Training personnel on both the testing technologies and the audit process is a great tactic for prevention."

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Protected agriculture creates near perfect specimens of produce.

The Multi-Faceted Greenhouse Industry And What It Means At Retail (Part I of II)

As greenhouse-grown produce becomes more popular, growers and retailers face the challenge of educating consumers and proper marketing techniques. **BY CAROL M. BAREUTHER, RD**

Fruits and vegetables labeled for sale as “organic” must be grown by approved methods outlined in the USDA’s National Organic Program. This means growers have one standard to follow, retailers know how to sign and merchandise the product, and consumers know just what they’re buying. Yet, there is no federal legal definition of “greenhouse grown” in the United States or North America.

This wasn’t a problem in the 1990s when the industry was in its infancy, most production was concentrated in the United States and Canada, and produce was grown in fairly similar types of high-tech high-cost greenhouse facilities. The turn of the millennium saw Mexican growers start to enter the market, and due to a more temperate climate, introduce a wide variety of lower-tech and lower-cost facilities. This has prompted the high-tech growers — those whose capital

investments amount to what industry sources estimate at up to \$1 million per acre — to look for a way to define and differentiate their product and get the premium they need to remain in business. But the question remains, do consumers care? How a food is grown is one of the main reasons why organic shoppers buy organic, but do consumers know enough or care if their tomato, pepper or cucumber was grown in a greenhouse, shadehouse or in the open-field?

Protected Agriculture: What Is It?

It’s difficult to use one word to describe the diversity of growing facilities that some call greenhouses. For example, according to a February 24, 2009-published report by the University of Georgia’s College of Agricultural & Environmental Economics, titled *Greenhouse Vegetable Production*, “greenhouses can range from simple homemade designs to

sophisticated prefabricated structures. Materials used to construct a greenhouse frame can be wood, PVC, aluminum or steel; coverings can be glass or various rigid or flexible plastic materials.” Such a broad definition encompasses what many in the industry now are lumping under the term protected agriculture or PA.

Eric Viramontes, CEO of the Mexican Association of Protected Horticulture (AMHPAC), headquartered in Culiacan, Mexico, equates using the term greenhouse to refer to all types of PA akin to using a specific breed of dog to characterize all canines. Viramontes explains, “Protected agriculture is anything that helps growers control elements such as rain, snow, heat, cold, humidity, wind, dust and pests. What technologies are required to do this depends on the geographic growing region. As an analogy, you can get away with a \$30 outfit of T-shirt and shorts if you vacation



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in the tropics, whereas you'll need a \$500 outfit if you go skiing in Colorado. Likewise, there are active and passive ways to control the elements in protected agriculture," he adds. "An active solution, such as a sophisticated heating system, might be needed in a colder region, while a passive system, like shade cloth, may be all that is required to keep bugs away and let the sun in, in a warmer climate."

Explained another way, Sandra Aguilar, marketing manager for Ciruli Bros. LLC, in Rio Rico, AZ, says, "Protected agriculture is defined as any permanent structure covering a field, whether it is made of glass, plastic, or shade/netting. Our growing methods are tailored to the weather in the growing region."

There is no one-size-fits-all in protected agriculture, nor are certain types of structures relegated to only one region or country. Aaron Quon, greenhouse category director for The Oppenheimer Group, in Coquitlam, British Columbia, Canada, provides an example: "We represent a wide variety of greenhouse facilities throughout North America. In Canada, we work with growers that grow peppers and tomatoes under glass, along with a cucumber grower that uses a poly greenhouse that diffuses the sunlight during the summer, providing a better growing environment. In the United States and Mexico, we have a wide range of greenhouse growers that grow in high-tech, mid-tech and low-tech greenhouses producing peppers, cucumbers and tomatoes."

The Popularity Of Protected Production

Clearly, protected agriculture is flourishing. In Mexico, for example, the industry has grown from 750 hectares in 1999 to nearly 20,000 hectares in 2011, according to AMHPAC.

Mark Cassius, vice president of sales for Wilcox, AZ-based Eurofresh Farms, points out, "The trend toward protected agriculture is growing in Guatemala, Costa Rica and even Honduras, especially lower-tech plastic operations."

"In the United States and Canada, there are new greenhouses in California and expansions to facilities in Leamington, Ontario, and Michigan," reports Doug Kling, senior vice president of sales, marketing and fulfillment for Village Farms L.P., located in Eatontown, NJ. "We just finished adding 30 acres to our facility in Texas. In general, though, there is less expansion on the high-tech hydroponic side like we do."

Lower-tech, or shadehouse, expansion has been on the rise in Mexico over the past six to seven years, according to Fried De Schouwer, president of Greenhouse Produce Co. LLC, in

"Customers prefer the greenhouse peppers because they look like a pepper — they have a uniform shape and no color bleeding, thicker skin and better quality. They also have better shelf-life.

We'll try to market the yellow peppers, for example, for \$1.99 or \$2.99 per pound. However, when they go over \$3.99 per pound, they don't sell well with our customers and then we look for field-grown."

— David Goldberg, *The Fruit Bowl*

Vero Beach, FL. "The first three to four years of expansion into shade house and low-tech protected agriculture occurred primarily in western Mexico. In the past three years, there has been a secondary wave of smaller, even single hectare, family-owned operations. There's also been an expansion of medium-tech facilities in Central Mexico where there's the chance of frost."

Quon agrees, adding, "We're beginning to see more high- and mid-tech greenhouses being built in Mexico that generate higher yields of produce in order to satisfy the market's insatiable demand for greenhouse-grown produce."

Ciruli's Aguilar reveals, "We are growing more products in protected agriculture each year, mainly tomatoes, bell peppers and cucumbers."

Likewise, Quon adds, "Our greenhouse volume has grown over the past three to five years, with the largest increases coming from Mexico and including colored sweet bell peppers and cucumbers, both long English and greenhouse slicers."

According to Danny Mandel, chairman of the board for Rio Rico, AZ-based SunFed, "We made a decision six years ago to only accept PA-grown product in three of our important product lines, be it greenhouse or shadehouse. All of SunFed's Roma and Vine Ripe Tomatoes, all of our colored peppers, and all of our cucumber types in their various manifestations are 100 percent grown in PA. The truth of the matter is that remarkable, consistent quality comes out of both types of structures when they are subject to the weather that is to be expected for the respective growing area."

Economic Considerations

There can be a huge difference in the cost to build various types of structures for protected agriculture. For example, industry estimates range from \$750,000 to \$1 million or

more per acre in a high-tech facility to \$25 per square meter or around \$100,000 for an acre in a low- or medium-tech structure.

High-tech structures often incur the added operational costs of fuel to heat or cool. Oppenheimer's Quon explains, "Fuel costs directly or indirectly affect almost every part of greenhouse production. First of all, growers need fuel to heat the greenhouse, which is one of their principal expenses. Fuel also directly affects the costs of shipping the product to the customers throughout North America through increased fuel surcharges. Growers are also indirectly affected by fuel costs, since when the cost of fuel rises, the cost to produce and deliver fertilizer, nutrients and packaging increases in turn."

Some greenhouse growers in cooler climates are researching the use of alternatives to petroleum such as natural gas, solar and wood chip biomass systems. Others have opened up facilities in Mexico or partnered with growers in this country. Why head south of the border? "Mexico has the ability to grow products for 90 percent of the season without energy costs due to the moderate winter climate," explains Greenhouse Produce's De Schouwer. "Today, the lowest unit cost producer is the winner."

Chris Ciruli, chief operating officer of Ciruli Bros., agrees, noting, "The old way was to put up a greenhouse for everything. Today, it's all about controlling costs by building the right facility in the right location to grow the right product."

Efficiency is essential to recover costs. Higher yields, better quality products, steadier supplies and a longer marketing window of opportunity all help to accomplish this and are all prime benefits of protected agriculture.

Village Farms' Kling acknowledges it's more costly to grow in a high-tech green house, but adds, "Yields are 30 to 50 times greater than

“The two greenhouse produce items we carry are tomatoes and lettuce, and both are grown in a nearby greenhouse facility. We like to feature local partnerships in store. And, we like to present a product that has a story behind it as our customers consider that a value.”

— Raul Gallegos, Bristol Farms

field-grown.”

As for quality, AMHPAC’s Viramontes says, “You will get No. 1 qualities in active or passive, high-tech or low-tech, facilities. The difference is the percent. You might get 80 percent No. 1s in an active system and only 50 percent in a passive one. So it pays to invest to get a higher amount of No. 1s that can be sold for a more premium price.”

The ability to market more steady supplies is better because protected agriculture products are not as susceptible to harsh weather. Ciruli Bros.’ Aguilar recalls, “We faced several freezes in the West Mexico area last season, which devastated open field crops, while protected agriculture items did not suffer as harshly. Another advantage of growing fresh produce under protected agriculture is that the product yield also tends to be higher because of a prolonged season.”

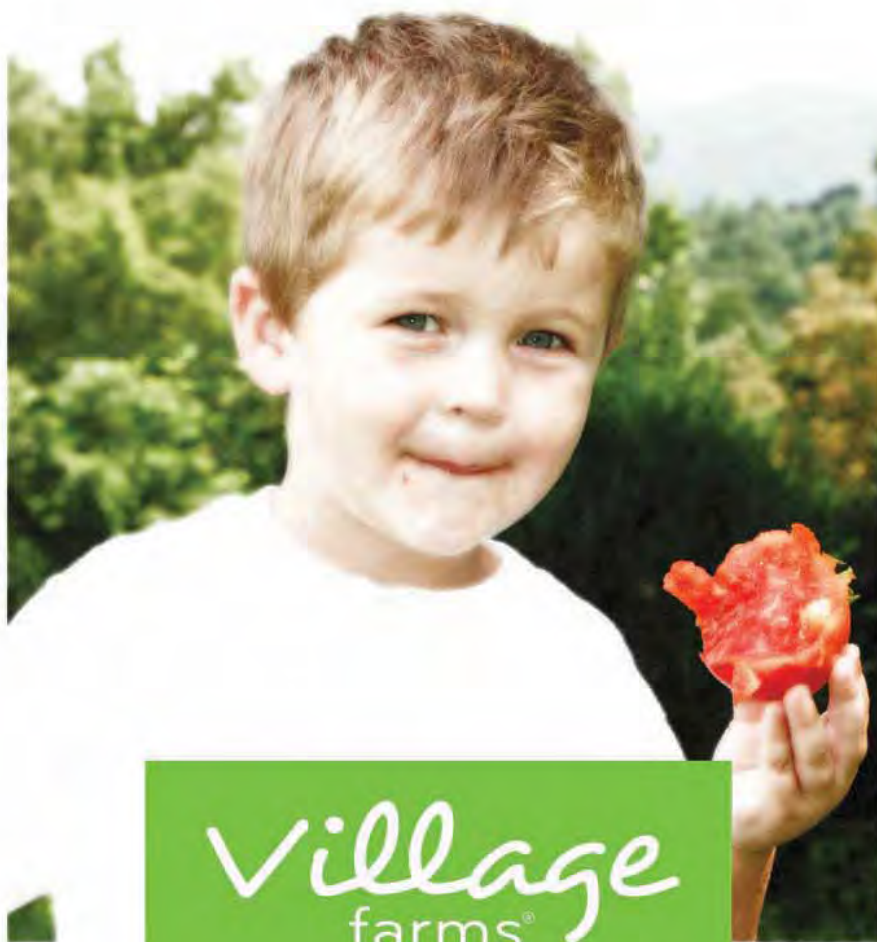
Additionally, SunFed’s Mandel notes, “The specific seeds that have been bred for PA allow for attributes not found in open field production. Cucumbers and mini-cucumbers out of PA are a pleasure to eat. The other obvious benefit is production increases. These are accomplished with a reduction in chemicals and other agricultural inputs. It is a much more sustainable way of growing.”

Marketing: Competition And Controversies

Greenhouse produce faces competition at retail. Oppenheimer’s Quon notes, “A major challenge greenhouse produce faces is competition with field-grown due to price and consumer comfort in the United States. Conse-



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quently, we are perpetually engaged in a battle for shelf space with field-grown.”

This can be a tricky subject for retailers. De Schouwer states, “Consider that 95 percent of vegetables sold at retail are grown open-field and the remaining 5 percent are grown by protected agriculture. Retailers don’t want to cut their own sales by promoting one over the other.”

Mike Aiton, director of marketing at Coachella, CA-based Prime Time International, in Coachella, CA, agrees. “We grow both field and greenhouse peppers,” he says. “Our goal is for customers to purchase peppers every day. We don’t want one type of growing method to detract from sales of another. Also, there are some retailers who have three or four banners. They want \$3.99 per pound greenhouse-grown for their upscale stores and \$1.49 per pound field-grown for their value banners.”

There is also marketing competition within the protected agriculture industry, which is also creating a bit of a controversy. Jim DiMenna, president of Jem-D International Partners LP, in Leamington, Ontario, Canada, says, “Oftentimes, the disadvantages to marketing greenhouse products are shade cloth or low-tech products masquerading as true greenhouse vegetables. With increasing frequency, we are forced to compete with low-tech production, resulting in lower returns to our owners who have made significant investments in infrastructure, technology and growing methods.”

The question then becomes: Do consumers care how their produce is grown when it comes to protected agriculture? On one hand, the answer is no. Ciruli Bros.’ Aguilar contends, “Customers are less concerned with growing method than they are with purchasing wholesome quality products that are consistently available. Our focus should be on selling quality and flavor, not the growing method.”

David Goldberg, general manager at The Fruit Bowl, a single store in St. Thomas, in the U.S. Virgin Islands, agrees. “Customers prefer the greenhouse peppers because they look like a pepper — they have a uniform shape and no color bleeding, thicker skin and better quality,” he notes. “They also have better shelf-life. We’ll try to market the yellow peppers, for example, for \$1.99 or \$2.99 per pound. However, when they go over \$3.99 per pound, they don’t sell well with our customers and then we look for field-grown.”

However, some retail produce executives believe their customers care exactly how their produce was grown. Raul Gallegos, director of



produce and floral for Bristol Farms, a 13-store chain based in Carson, CA, reveals, “The two greenhouse produce items we carry are tomatoes and lettuce, and both are grown in a nearby greenhouse facility. We like to feature local partnerships in store. And, we like to present a product that has a story behind it as our customers consider that a value.”

Regardless of where the crops originated, consumer education is key. Eurofresh’s Cassius admits, “At first, there may be some push back from consumers who think hydroponics is ‘unnatural’ in comparison to a vine-ripe tomato picked from their backyard, or might think that product grown hydroponically will taste like water. However, the high quality of a greenhouse-grown product usually wins them over. In fact, this is a concern with shadehouses versus high-tech greenhouses. Fluctuations in temperature can hurt flavor profiles and this happens more in a low-tech or shadehouse structure. If a consumer buys what they think is a greenhouse TOV and they don’t have the same experience the next time with the product because it was grown in a shadehouse, they may not be back to buy again and we’ve lost that customer.”

DiMenna says, “I am a big believer in marketing high-tech greenhouse vegetables to retailers and consumers over low-tech or shade cloth growing practices. The movement toward making the industry aware of the difference is very important. Often, we need to compete with lower grade facilities, and consumers are being misled into believing they are buying high-tech, hydroponics when they are actually buying low-tech items. The PLUs are the same.”

Village Farm’s Kling agrees. “We will launch a program in the next one to two years that will

be a concentrated effort aimed at retail and through social media to educate consumers about the benefits of high-tech greenhouse-grown produce,” he reveals. “In addition to quality and flavor, these benefits include food safety, less use of pesticides and sustainability.”

“Food safety is an advantage because the produce is grown in a protected environment,” adds Greenhouse Produce’s De Schouwer.

“Shadehouses are open to pests and there’s

“We will launch a program in the next one to two years that will be a concentrated effort aimed at retail and through social media to educate consumers about the benefit of high-tech greenhouse-grown produce.”

— Doug Kling, Village Farms L.P.

a higher use of pesticides in these structures,” points out DiMenna, “and fewer use of pesticides in hydroponics because soil isn’t used as a medium.”

Sustainability is an important factor, too. Dionysios Christou, director of marketing for Del Monte Fresh Produce North America Inc., based in Coral Gables, FL, asserts, “Our greenhouses play a major role in our efforts to produce our products in a sustainable

manner, which is a major concern to both retailers and consumers. For instance, an automatic irrigation system is installed in all of our greenhouses, which captures and recycles residual water. Internal drainage will help protect the surrounding water reservoirs and prevent greenhouse run-off. Also, we have implemented numerous sustainability programs in our greenhouse facilities in Central America, which are hydroponic, state-of-the-art facilities, which help reduce our carbon footprint in our day-to-day operations. Our greenhouse facilities have also assisted in stimulating growth of local economies and because of an increased need for food, lodging, transportation and other social services; many new jobs indirectly related to our greenhouse projects have been created,” he adds.

“In the end, I do believe consumers will demand clarification in the future, just as they did with Certified Organic,” DiMenna notes.

SunFed’s Mandel adds, “This is the future of agriculture as we know it in Mexico. I believe we are just a handful of years away from having 100 percent of all cucumber products grown restricted to PA. I expect green bell production and all types of fresh tomato production will be almost entirely inside of PA in the near future. Eggplant varieties have been developed to thrive in PA and if breeders can modify the squash plant to grow in a more upright form so that higher populations could be obtained inside PA, there would be no argument for continuing to grow squash in the open field.” **pb**

Part II will cover various merchandising techniques to use when promoting greenhouse produce, as well as product updates and promotional opportunities.



PHOTOS COURTESY OF FRIEDA'S INC.



Focusing on holidays, such as Passover and Mother's Day, with large displays of produce items and the necessary tie-ins items will bring big rings.

Spiff Up Your Produce Department With Smart Spring Merchandising

With plenty of holiday merchandising ideas, the spring season is a perfect time to shine the spotlight on produce. **BY CAROL BAREUTHER, RD**

There's no doubt weather impacts consumers' purchases, shopping patterns and even entertaining in the spring months. It also equally affects what fresh produce is available. Karen Caplan, president of Frieda's Inc., in Los Alamitos, CA, says, "There's been a lot of crazy weather in the past few years. Just look at the devastating freeze in Mexico last March. For this reason, retailers will want to have a back-up plan for spring promotions. For example, if strawberries are in short supply for Easter ads, then the back-up plan might be to promote smaller pack sizes of strawberries or other berries instead."

"In spite of the vacillating temperatures, people do change the way they cook in the spring," acknowledges Lee Anne Oxford, marketing director for L&M Companies Inc., based in Raleigh, NC. "Even though it might still be cold, it's the holidays that pull along the spring produce sales."

ST. PATRICK'S DAY: March 17

Corned beef and cabbage are the winning combination for this popular Irish holiday.

Maureen Torrey Marshall, vice president of Torrey Farms Inc., in Elba, NY, says, "Storage cabbage is available, as is fresh market from states such as Florida and Texas. Most retailers want the natural head — not wrapped — and many will merchandise the cabbage in bins in order to have the volume they need to support sales, especially with a loss leader price."

Potatoes and carrots are the other two produce staples for St. Patrick's Day. Robert

Schueller, director of public relations for Melissa's/World Variety Produce Inc., in Vernon, CA, says, "Spring crops aren't ready to harvest in most regions in March, so hearty comfort foods like root vegetables are favored. This means, for example, round white, Russet and Yukon gold potatoes, as well as baby Dutch yellow and red creamers and fingerlings. Be sure to order enough as sales can double or triple."

A novel way to celebrate St. Patrick's Day at



PHOTO COURTESY OF CALIFORNIA GIANT BERRY FARMS

KROGER AND PUBLIX FEATURE SPRINGTIME PRODUCE FOR KIDS PROMOTION

An in-store cooking lesson and produce game-playing were ways two major retailers participated in the Produce for Kid's annual spring campaign last year. In May, over a dozen children from the Children's Miracle Network Hospital met inside the Publix Cooking School in Alpharetta, GA, one of the nearly 1,100-stores in the Publix Super Markets' Lakeland, FL-based chain.

Miss America 2011, Teresa Scanlan, was there to help the children prepare Garden Veggie Pasta, one of over 60 recipes that are part of PFK's 2010-launched Ideal Meals program. Developed by a Registered Dietitian according to USDA Dietary Guidelines and printed on 4x6-inch cards, the recipes were also merchandised in-store in a colorful display unit.

In June, 10 to 15 school-age kids gathered in the produce departments of Kroger Co. stores in Dallas and Houston, two of the Cincinnati, OH-based chain's nearly 2,400 stores, to play with produce. The Eat Up Tweet Up event featured a bucket toss with NatureSweet SunBurst tomatoes, an onion-peeling race and more.

Both events generated plenty of in-store excitement that helped to boost produce sales.

pb



PHOTO COURTESY OF PRODUCE FOR KIDS

retail is to promote all green vegetables, suggests Caplan. "One example might be to highlight green vegetables with green shamrock-shaped signage," she says. "Then, you could promote cents-off every green vegetable the week of St. Patrick's Day, or advertise 'buy two green vegetables and get 10-cents off per pound on each.'"

NATIONAL NUTRITION MONTH:

March 1-31

"Get your Plate in Shape" is the theme for this year's National Nutrition Month, a nutrition education and information campaign sponsored by the Academy of Nutrition and Dietetics, formerly the American Dietetic Association.

To support this theme in store, the Wilmington, DE-based Produce for Better Health Foundation (PBH) offers several tools. One encourages consumers to take the MyPlate Makeover Challenge. This Facebook-based promotion asks consumers to upload a picture showing half of their plates filled with fruits and

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VISIT MEXICO AND GROW YOUR BUSINESS

The produce industry has long been based on relationships and personal visits to suppliers are an integral part of business building as well as ensuring quality and food safety. Companies doing business with Mexico have a convenient and easy way to connect with Mexican suppliers through trade missions organized by Mexico's Ministry of Agriculture (SAGARPA). Strategic missions implemented with support from private sponsors in the U.S. and chambers of commerce in the host states offer participants a customized trip to accomplish specific objectives. For 2012, SAGARPA is organizing at least three trade missions focused on improving and building business with Mexican suppliers.

WHAT BENEFITS DOES A MISSION OFFER?

With good preparation and follow-up, missions can be great door openers, and participants benefit in many ways including:

- *Obtain contracts as a direct outcome of the mission*
- *Find personal contacts for future follow-up*
- *Sign partnerships and cooperative agreements for further business development*
- *Get hands on and up-to-date market information and research*
- *Assess overseas opportunities, culture, infrastructure and potential demand*
- *Initiate new vendor relationships*
- *Learn about the culture, customs, business and operating environments*

Positive effects of missions include higher sales revenues, lower procurement costs and better sourcing, education, cultural/international business savvy, preparedness, professional development, visibility/goodwill and perspective. Additionally, mission participants develop close friendships among themselves and a useful, professional network.

WHAT IS A TYPICAL MISSION LIKE?

Missions typically last from five to eight days, and consist of a constructive program including briefings, one-on-one business meetings, growing area tours, packing houses visits, official receptions and dinners, cultural events and some sightseeing. The briefings and one-on-one meetings are tailored and prearranged to match individual delegate's business interests. Any mission can be tailored to accommodate the need of individual participants.

There are several types of Missions.

1. Customized Mission: This is when a particular buyer or company is interested in specific products or suppliers. They can request custom organization of a trip designed just for their specific needs.



2. **Mission Linked to Tradeshows:** SAGARPA organized missions designed for those interested in attending a specific Mexican trade show. A good example is the ANTAD show, held in Guadalajara in March. We assist buyers with their arrangements to participate in the show, as well as organizing outside meetings and trips with suppliers, supermarkets and other points of interest. Visits to production areas in adjoining states, for example Jalisco, can also be combined with the trip. Other shows that have traditionally linked missions with them include Expo Agro Sinaloa, Agro Baja and Expo Agroalimentaria.
3. **Supplier Visits:** SAGARPA puts together specialized group trips to visit specific production areas and commodities of interest, as well as other useful venues like packing facilities or processing plants. Itineraries are planned according to the groups wishes and interests.

WHAT SUPPORT DOES A MISSION GIVE?

Participants cite the greatest support benefit from a trade mission is that of logistics and itinerary planning. Through SAGARPA organized missions, many buyers are able to meet with suppliers that may be difficult to contact due to language barriers, time or lack of knowledge about the regions. Missions provide an easy and effective way for buyers to make visits specific to their interests and needs. The expertise of SAGARPA's personnel also allow for visits to areas, suppliers or points of interest that may be new or not well known outside of Mexico. A SAGARPA staff person accompanies the mission at all times and is helpful in providing additional information as well as translation assistance. Mission participants can also receive reimbursement for the hotel and travel costs.

WHAT HAS BEEN DONE IN THE PAST?

SAGARPA has organized more than 20 missions in the last five years. Throughout these missions, buyers have learned about Mexican Agriculture, Mexican methods and technologies of production, and Mexican practices put in place to assure the quality and safety of products. Past participants have included companies such as COSTCO, Kroger, Albertson, Safeway, Supervalu, Hy-Vee, Minyard's, Pathmark, Fiesta, Rhee Bros Inc, Associated Wholesale Grocers (AWG), Hardie's, Gigante USA, Save A Lot, Leevers, Unified Western Grocers, Bogopa, Bueler's Food Stores and Kehe Food Distributors, as well as many others.

HOW DO I JOIN A TRADE MISSION

SAGARPA normally begins organizing missions starting in early January. Interested parties can request a mission at anytime, although missions associated with specific tradeshows require more advance planning. For more information, contact Hector Cortes at Mexico's Agricultural Office in Washington DC at (202) 728-1727 or hcortes.sagarpausa@verizon.net.

FOR MORE INFORMATION:

Please contact the Agricultural Office at the Embassy of Mexico:

HECTOR CORTES

Agricultural Attache

(202)728-1727

Hcortes.sagarpausa@verizon.net

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vegetables. This post immediately provides a grocery coupon, thanks to industry sponsors and enters the consumers in a drawing for a \$100 grocery gift card. To help give consumers ideas, PBH has also developed, thanks to industry sponsors, 25 new “real food” plates showing what filling half a plate with fruits and vegetables looks like, featuring these plates as the “Plate of the Week” on the organization’s Fruits & Veggies — More Matters Facebook page. PBH also develops information sheets for each of these plates and posts them on the orga-

nization’s website as free downloads for industry, educators and health professionals.

Elizabeth Pivonka, Ph.D., R.D., president and CEO of PBH, says, “We offer also MyPlate Makeover Challenge toolkits and encourage growers, shippers, processors, supermarkets and health professionals to use them as desired.” The toolkits contain social media and website marketing tools and ideas to promote the USDA’s MyPlate and Half Your Plate concepts.

In addition, new research on behavioral economics and the psychology of fruit and

vegetable consumption will be shared at PBH’s annual meeting on March 29 in Monterey, CA. Pivonka reports, “A recent study compared two promotion strategies (price discounts vs. bonus packs) on two kinds of products (vice good vs. virtue goods.) Consumers prefer price discounts for vice goods (junk food, cigarettes), to mitigate the guilt of the purchase, but they prefer bonus packs for virtue goods (like fruits/veggies). A discount on virtue goods is not guilt-mitigating, so greater pleasure from getting a good deal is provided if the quantity is increased.”

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LENT AND NATIONAL SOY MONTH: February 22 to April 7

Lent is a time many people may give up eating meat. Frieda’s Caplan points out, “This is a great opportunity to increase display space and prominence, as well as promote soy proteins such as tofu, edamame and other meat analogues.”

April is also celebrated as National Soy Month, another theme around which to promote soy foods in the produce department.

PASSOVER: April 6

Many non-perishable foods such as matzo and jarred gefilte fish are highlighted in special

RECIPES HIGHLIGHT CINCO DE MAYO PROMOTIONS AT DOROTHY LANE MARKETS

Side Note

Popular Hispanic produce items such as avocados, tomatoes and limes are featured in large displays that include recipes in the produce departments of Dorothy Lane Markets, a three-store chain based in Dayton, OH.

Recipes celebrating Mexican heritage and pride call for several produce items designed to garner multiple rings. For example, Layered Mexican Party Salad was the recipe for 2010, which included eight produce items. The year prior, Mexican Chicken Bites with Cilantro Lime Salsa was featured. This included six produce items.

“We’ll also run a front-page circular ad on avocados,” says produce director, Jose Manzano, “and cross-merchandise avocados in the chip aisle and limes in the beer aisle. It all makes an effective produce promotion, considering Cinco de Mayo is just a one-day holiday.” **pb**

BRISTOL FARMS MAKES ST. PATRICK'S DAY COOKING CONVENIENT FOR ITS CUSTOMERS

Carrots, onions and cabbage star in a novel product at Bristol Farms, a 13-store chain based in Carson, CA, for St. Patrick's Day. Raul Gallegos, director of produce and floral, shares, "St. Patrick's Day is a popular and highly celebrated holiday with our customer base. To make meal preparation convenient, we'll offer a St. Patrick's Day Kit. The kit, made in the chain's commissary, contains four to six fresh-cut and peeled carrots, two medium peeled and quartered onions and one large quartered head of green cabbage in an over-wrapped tray

pack, along with a corned beef brisket, which serves four people.

"The kit will be merchandised in three locations," says Gallegos. "We'll feature it at the front entrance of the store in a portable refrigerator along with the corned beef, in the meat department with the corned beef and in the produce department without the meat."

The kit isn't featured in the ad circular in the week leading up to St. Patrick's Day at a special price. "It's more to let customers know this special seasonal kit is available," says Gallegos. **pb**

displays in-store for Passover. Caplan reminds, "Don't forget to tie in produce such as parsley, fresh horseradish, carrots, beets, apples, walnuts and potatoes."

This year, both the Jewish holiday of Passover and Christian celebration of Easter take place the same weekend. "Use this opportunity to promote produce that is common to both such as potatoes, onions, fresh herbs, and baby beets and baby carrots with the green tops on," suggests Melissa's Schueller.

EASTER: April 8

Families gather together to feast upon traditional ham or turkey with all the fixings during this holiday. Schueller notes, "Popular ingredients include fresh herbs. Basil is No. 1, but rosemary, mint, thyme and dill are also in demand this time of year."

According to L&M's Oxford, "Other popular side dish produce items include bell peppers, broccoli, cabbage, tomatoes, onions,

Some 81.2 million pounds of avocados are projected to be available for this year's Cinco de Mayo, making this holiday the largest consumption event for avocados on record.

cucumbers and, depending on where you live, new season asparagus." The California asparagus season kicks off in March and runs through May.

Cherie Watte Angulo, executive director of the El Centro-based California Asparagus Commission (CAC), reports, "The best time to promote is the middle of the season, which should be ideal for Easter this year. Asparagus is ideally cross-displayed with other produce such as mushrooms, tomatoes and salad dressings. Offer consumers recipes that show new usage ideas for asparagus."

March through mid-May is also peak season for the classic Green Globe variety of artichoke, grown only in the Castroville region of California. Kori Tuggle, marketing manager for Ocean Mist Farms, in Castroville, CA, notes, "Traditionally, the larger sizes (12-, 18- and 24-count) peak at the front end in March and April with the smaller sizes (30- to 36-count and baby sizes) peaking in April and May."

"Merchandise artichokes on their sides, stem-to-stem, for easier handling," advises Tuggle. "Trays or bowls with ice or water work well as merchandising tools to keep stems hydrated. Side dipping ingredients such as



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SWEET SALES FOR VIDALIA ONIONS AT HARVEY'S SUPERMARKETS

Sales of Vidalia onions were sweet last May at the Tallahassee, FL, location of Harvey's Supermarkets, a 69-store Nashville, GA-based chain that is a subsidiary of Food Lion LLC, part of the Belgium-based Delhaize Group. This is because produce merchandiser, Charles Hanks, built a display that won the grand prize in the Vidalia Onion Committee's annual display contest. "Since the store wasn't located in Georgia, I knew to make the connection with customers, create excitement and attract attention I'd have to build a great display," he says.

Hanks accomplished this by tying into the VOC's country music theme, which included the Grand Ole Opry and dancing

onions. The display ultimately measured 24 feet long when 40-lb. boxes of bulk onions, 2- and 3-lb. bagged onions, and 5-lb. bags of onions in high-graphic half-pallet bins were placed on either side of the backdrop.

The Vidalia onions were also price promoted during this time. For example, 10-lb. bags of Jumbo onions sold for \$8.99, 2-lb. bags sold 2-for-\$5 and 3-lb. bags sold 2-for-\$6.

"We sold every onion we ordered and displayed and we had to re-stock the display two to three times," says Hanks. "This amounted to 10 times what we'd sell normally. It was a hugely successful promotion." **pb**

mayonnaise, balsamic vinegar and ready-to-eat sauces make a great cross-promotion and encourage impulse purchases as meal solutions. Create secondary displays in other departments, too, as additional meal solutions. Artichokes make the perfect side dish for any meat, poultry or fish entree."

This spring, Ocean Mist Farms rolled out its

new Season & Steam microwavable artichoke bag. The product features two Globe artichokes that are cleaned, trimmed and ready to cook. The innovative packaging offers shoppers the option to open the bag, pre-season the artichokes to their preference, reseal the package and steam by microwave all within the same bag. Tuggle reveals, "Consumer research illus-

trates that many shoppers view prepping of artichokes as the major barrier to purchase. By doing the prep work, we make eating fresh artichokes easy and convenient."

CINCO DE MAYO: May 5

"Cinco de Mayo is a Mexican national holiday, but it's become Americanized and much more widely celebrated throughout the United States," says Melissa's Schueller. This means there's an opportunity to promote ethnic produce items such as fresh chiles, tomatillos, cilantro, jicama and limes, as well as the more everyday staples of popular Mexican dishes such as avocados, tomatoes and onions.

Jan DeLyser, vice president of merchandising for the Irvine-based California Avocado Commission (CAC), points out, "Cinco de Mayo presents a golden opportunity to merchandise avocados, especially in themed displays featuring ingredients for guacamole or other festive avocado recipes." Some 81.2 million pounds of avocados are projected to be available for this year's Cinco de Mayo, making this holiday the largest consumption event for avocados on record.

DeLyser adds, "Social media channels and blogs are popularizing the notion that the group is better than the self. Retailers could

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Eastern U.S. leads nation in avocado dollar growth

The Eastern half of the U.S. leads the nation in avocado sales growth, according to recent research conducted by The Perishables Group*. The East South Central states enjoy the highest gains with dollar sales up 20.3%.

Avocados continue to be a top performer in the Produce Department. For the season ending in July**, avocados had the second highest dollar contribution gains to the department - up 8.6%. The dollars spent per shopper on avocados increased 4.5% while dollars-per-shopper declined 1.8% for Produce overall.

AVOCADO REGIONAL SALES GROWTH

DOLLARS % CHANGE VS YAGO

- EAST SOUTH CENTRAL +20.3%
- SOUTH ATLANTIC +15.3%
- NEW ENGLAND +12.2%
- MID ATLANTIC +10.1%
- WEST SOUTH CENTRAL +9.7%
- TOTAL U.S. +8.2%
- WEST NORTH CENTRAL +7.1%
- PACIFIC +5.0%
- EAST NORTH CENTRAL +4.7%
- MOUNTAIN +4.3%



Shopper education = more trial and purchase frequency

Following the Big Game event, *Slice, Twist & Pop* POS will give shoppers what they've been asking for: easy, memorable tips on how to select, cut and ripen an avocado. Backroom posters in English and Spanish will educate Produce employees on receiving, handling and merchandising techniques – everything they need to know to sell more avocados.



Avocados from Mexico: Big Gains for Big Game

Avocados from Mexico kicked off 2012 with a record 22% growth in Big Game display participation at retail. Registered dietitian support included national TV segments and Facebook promotions.

Cheryl Forberg puts avocados in spotlight

Celebrity dietitian Cheryl Forberg has helped thousands of people live longer, healthier lives on the NBC hit show *The Biggest Loser*. Now avocado consumers can win a personal nutrition consultation from Cheryl through a Facebook and Taste the Wow sweepstakes from Avocados from Mexico starting in February.



Avocados from Mexico national ads make big impression

National magazine advertising will tout the delicious benefits of buying avocados through more than 100 million impressions delivered by magazines such as *Cooking Light*, *Better Homes and Gardens* and *Real Simple*.



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MOTHER'S DAY MEANS STRAWBERRIES AT ACME SUPERMARKETS



PHOTO COURTESY OF ACME SUPERMARKETS

Say “Mother’s Day” and strawberries are the first fruit that comes to mind for Jay Schneider, produce business development manager for Acme Supermarkets, based in Malvern, PA. “We’ll do more strawberry sales the week leading up to Mother’s Day than any other week of the year,” he says.

Of course, Schneider and his staff promote strawberries in a variety of creative ways to achieve these spectacular sales results. First, 1-lb. clamshells of California strawberries are featured on the cover of the chain’s ad circular either for a hot single price or buy-one-get-one price.

Secondly, produce assistants in each store will hand-dip long-stem strawberries in chocolate and offer to customers as an interactive promotion. Larger stores will even put a chocolate fountain right in the produce department so customers can watch their berries being covered with this creamy confection. “The chocolate-dipped strawberries are all incremental sales,” says Schneider.

Third, clamshell packs of 1-lb. long-stem strawberries are merchandised in a 4x4-ft. mobile refrigerated merchandiser along with containers of dipping chocolate in the front lobby of the stores.

Back in the produce department, 2-lb. clamshells of strawberries are offered for sale as an additional size option as a fourth selling technique. These join an expanded berry patch display that doubles in size from the 3- to 4-ft. refrigerated section typical prior to the beginning of May. Add up these four techniques and it’s easy to see why strawberry sales are so successful for Mother’s Day at Acme Supermarkets. **pb**

promote Cinco de Mayo as a great opportunity for consumers to ‘Meet and Eat.’ Promoting Cinco de Mayo parties, potlucks or progressive dinners would help retailers increase the shopping basket ring for the occasion.”

April and May are when the quality, consistency and volume of Florida tomatoes are its peak, according to Samantha Winters, director of education and promotions for the Maitland-based Florida Tomato Committee (FTC). “New this year, Florida chef Justin Timineri has developed a Florida Tomato & Avocado Salsa recipe that we have available on tear-pads for use in point-of-sale retail displays.”

Retailers can boost tomato sales for Cinco de Mayo and throughout the spring by following the promotional Best Practices outlined in the *2011 Independent Retail Performance Study*, conducted by the Perishables Group on behalf of the FTC. Top-selling field tomato retailers had 15 percent larger displays, secondary tomato displays, aggressive prices and positioning next to complementary items such as fresh avocados, onions, fresh herbs and salad fixings when compared to bottom-selling retailers.

Sweet Vidalia onions can make a less fiery alternative to hot white onions in Mexican dishes. Wendy Brannen, executive director of the Vidalia, GA-based Vidalia Onion Committee (VOC), notes, “Some people have digestive issues and can’t tolerate a hot onion. Therefore, retailers might want to display their onion category with a heat meter to let customers know which onions are hot and which, like the Vidalias, are sweeter and milder.”

MOTHER’S DAY: May 13

“Flower and gift sales increase for Mother’s Day,” says Schueller, “and so does ingredients that the family can use to make Mom breakfast in bed such as fresh herbs and mushrooms for omelets and fresh seasonal fruit like Pixie tangerines.”

“Berries are also synonymous with Mother’s Day,” adds Frieda’s Caplan, “Cross-merchandise berries with our crepes and whipped cream for an elegant dessert.”

There’s supply to meet demand with California shipping between 5 to 7 million trays of strawberries per week between late March and late July. This is reflected in a second quarter strawberry contribution to total produce sales of 6.6 percent, followed by 4.5 percent in the third quarter, according to FreshLook Marketing data provided by the Watsonville, FL-based California Strawberry Commission (CSC).

Even though berries might fly fast off the shelf in the spring, it’s important to handle them correctly to minimize shrink and maximize

sales. Cindy Jewell, director of marketing for California Giant Berry Farms, in Watsonville, CA, reports, “This year, based on consumer feedback, we are focusing on the need for Best Practices in handling and storage at store level, such as rotating product frequently and refrigerating berries. We are offering care and handling educational tools to our retail partners to help store-level personnel.”

There’s no need for a deep discount on Mother’s Day due to strong berry demand. However, Jim Roberts, vice president of sales for Estero, FL-based Naturipe Farms LLC, maintains, “It is important to set the right price and be competitive. This might be \$1.99 to \$2.99 for a 1-lb. clamshell of strawberries, or 2-for-\$3 or 2-for-\$4, depending on the market.”

Chris Christian, the CSC’s director of nutrition and category development, recommends, “Promote strawberries during pre-holiday, holiday and post-holiday weeks to maximize sales. Retailers following a holiday three-week promotional strategy can expect sales increases up to 6.5 percent in pounds and 11.5 percent in dollars. Increases can surpass average annual sales increases. Maximize sales by upsizing to the 2- and 4-lb. packages during peak availability.”

Naturipe Farms is testing a 3-lb. strawberry clamshell, notes Roberts. “Some retailers thought the 4-pounder was too big. The advantage is a lower freight cost because we can fit 50 percent more on a pallet with the 3-pounder,” he says.

MEMORIAL DAY: May 28

“Memorial Day marks the start of the barbecue season,” notes Melissa’s Schueller. “Zucchini, bell peppers, potatoes, onions and corn are great to promote for the grill.”

“Vidalia onions are essential for the grill,” asserts the VOC’s Brannen. “We offer dozens of recipes on our websites, as well as recipe take-away cards. These range from something simple like coring a Vidalia, adding a little butter and beef broth, and wrapping it in foil to cook on the grill, to lamb and apricot stuffed Vidalias that can be cooked on the grill.” The VOC will kick-off year two of its country music-themed Vidalia onion promotion, which will include consumer contests and retail display contests.

Supersweet corn is available from Florida for Memorial Day. Jason Stemm, spokesperson for the Maitland, FL-based Fresh Supersweet Corn Council (FSCC), says, “The state’s harvest hits one million crates per week in April. Cross-merchandise fresh corn with foil, barbecue sauce, charcoal and grills. We offer POS materials and tear pad recipes around a grilling theme.”

The FSCC will launch a Fun in the Sun

“Promote strawberries during pre-holiday, holiday and post-holiday weeks to maximize sales. Retailers following a holiday three-week promotional strategy can expect sales increases up to 6.5 percent in pounds and 11.5 percent in dollars.”

— Chris Christian, California Strawberry Commission

sweepstakes this spring where consumers can win a trip to Florida. The contest is tied to the launch of the Council's new supersweet corn variety, the Sunshine Sweet, which was developed naturally from a premium seed variety and offers retailers an opportunity to distinguish themselves from the competition.

Many retailers will kick-off their month-long Produce for Kids campaign around Memorial Day. Kim Avola, PFK's Orlando, FL-based vice president, says, “Produce for Kids provides the opportunity for retailers, along with their suppliers, to promote fruits and vegetables while raising money for their local children's hospitals. We offer a complete turn-key marketing campaign for retailer's that includes in-store POS, local and national public relations, online marketing, demo events and more.”

Produce for Kids is celebrating its 10th anniversary in 2012. Twenty-five retailers are expected to participate with over a dozen produce suppliers representing items such as pineapple, packaged salads, peaches, tomatoes and Vidalia onions. To capitalize on this theme, retailers should tap into mom and parenting blogger networks, as well as reaching out direct to consumers through social media. Avola knows, “Parents are always looking for easy ways to incorporate healthy produce options into their family's lives, so offering meal solutions is a great way to get in the door with this market. Also, offer creative ideas and suggestions for parents to get their kids more involved in the shopping and cooking processes. Kids are more likely to try new things if they've had a hand in helping to make it.

pb

GARLIC SHOWCASE

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Since mangos are grown in multiple regions of Mexico, the Mexican mango season is the longest of any supplying country.

Marketing Mexican Mangos

More than half of mangos in the United States are imported from Mexico, and being educated about this profitable fruit is key to successful marketing. **BY LISA WHITE**

Americans are uncovering the mystery of mangos. This tropical fruit is now becoming more mainstream due to its appealing taste and healthful qualities. Consumer research conducted last year by the National Mango Board (NMB), headquartered in Orlando, FL, shows current purchasers, or those who purchased mangos in the past six months, increased from 35 to 46 percent. Retailers are taking note, including this once hard-to-find fruit into the regular produce department rotation.

Fortunately, quality mangos are available year-round in the United States, with Mexico providing about 60 to 65 percent of the country's volume. Because mangos are grown in multiple regions from Northern Sinaloa to Chiapas, the Mexican mango season is the longest of any of the supplying countries, generally extending from late February to late September. "Mexico is our closest trading partner for imported mangos, so the travel time is shorter," says Megan McKenna, the NMB's director of marketing.

Although there are thousands of mango varieties worldwide and new developments constantly, the five main Mexican varieties are Ataulfo, Haden, Keitt, Kent and Tommy



PHOTO COURTESY OF CIRULI BROTHERS LLC.

Atkins, in addition to some Manillas. "We are all experimenting with a number of varieties, however, I do not think there is another variety close to making market yet," says Isabel Freeland, vice president of Coast Tropical, located in McAllen, TX. "However, if other countries start to import, that might make a difference with Alphonse, Irwin and Edward. You might start seeing more of these in the market from Africa and India. Also, some growers have begun planting some Nam

doc Mai in Mexico, and I have been seeing some in the market, as well."

Mango varieties that can best tolerate hot water or irradiation treatments to control fruit flies tend to be most prevalent.

Challenges And Opportunities

In addition to pests, there have been a number of challenges in this category. Probably at the forefront is that the mango segment has suffered from a lack of famil-



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In terms of mango volume, the past two years have been record-setting for Mexico, with 53.8 million boxes shipped in 2010 and 58.8 million boxes shipped last year, according to the U.S. Department of Commerce. Since 2005, Mexican mango volume has increased 48 percent.

ilarity amongst traditional American consumers, who have little knowledge of how to select, ripen, cut and use this fruit.

"Further complicating matters is that retail store-level employees often don't have knowledge of mangos either," says McKenna.

The seasonality of mangos is another barrier. While the long growing season has its benefits, it can be difficult marketing tropical fruit during winter. "It's easier to market mangos in March, because consumers are looking toward spring," says Chris Ciruli, chief operations officer at Ciruli Brothers LLC, located in Tubac, AZ.

Dealing with multiple growing regions also can present difficulties, especially in terms of fruit quality and consistency. Yet, due to Mexico's close proximity to the United States, the time from harvesting and marketing is shorter, which generally results in better quality product.

Still, mango color discrepancies remain a big issue from a marketing standpoint. "Although the National Mango Promotion Board has done a great job promoting 'not to judge a mango by its color,' it's still difficult to promote mangos that are not red, especially when the United States is grading fruit as discolored when it's not bright red," Freeland says. "If we receive lots of green or light-colored fruit, it is hard to promote in large volumes."

Because Mexican mangos can be procured within 24 hours of being packed, it has the benefit of being fresher than fruit that has been on a boat for two weeks. "The freshness, quality and shelf life of Mexican mangos are so much greater, so there are more posi-



PHOTO COURTESY OF CIRULI BROS.

tives than negatives with this product," says Jerry Garcia, vice president of London Fruit Inc., based in Pharr, TX.

Despite a lack of control with weather and other growing conditions, quality of these products has improved in recent years. "Everything starts in the mango grove, so it's up to farmers to upkeep their farms and trees," says Ronnie Cohen, vice president of sales at the Vision Import Group LLC, headquartered in River Edge, NJ. "People are doing a better job at the packing level. As the industry continues to learn and improve, it provides a direct benefit to the overall mango quality."

Pricing And Volume

Obviously, price fluctuations impact sales. For example, when prices are high, most markets prefer smaller mangos. F.O.B. weekly average Mexican mango prices have been relatively stable since 2005, ranging from \$3.40 to \$4.21 per box for the round varieties and \$5.40 to \$6.07 per box for Ataulfos, the USDA reports.

"We have seen increases in F.O.B. values," says Gary Clevenger, managing member of Freska Produce International LLC, based in Oxnard, CA. "This is attributable to mango popularity. People are trying mangos in drinks, salads, main dishes and desserts."

In terms of mango volume, however, the past two years have been record-setting for Mexico, with 53.8 million boxes shipped in 2010 and 58.8 million boxes shipped last year, according to the U.S. Department of Commerce. Since 2005, Mexican mango volume has increased 48 percent. "It is too early to do projections, but we believe that the volume will be at least the same as last year,"

NMB's McKenna says.

During certain times of the year, mango volume exceeds demand and prices drop at levels way below cost. "As a result, to minimize this problem, many countries have made friendly arrangements between the packing houses to limit the volume of shipments to the United States," says Coast Tropical's Freeland. "However this is an ongoing issue that we all keep a close watch on and try our best to regulate."

With pricing, material and fuel costs have to be taken into consideration, as well.

"It becomes a matter of efficiency," Ciruli says. "It's important to get costs down to keep growers going. Today, sizable shippers are running two to five million packages out of Mexico."

Increasing Visibility

To best market Mexican mangos, industry experts say it's key to bring this fruit to the forefront of produce departments, especially during the high-volume season. Because mangos tend to be an impulse buy, retailers need to create secondary displays, especially when mangos are on promotion. Providing consumers with information on these products also is important. The NMB provides POS material to teach those at the store level about selection, ripening and cutting. The organization is running a contest this June geared toward retailers with 50 or less stores. The Mango Mania Display Contest for Small Retailers will award \$10,000 in prizes.

A number of NMB Mexican mango promotions also are scheduled throughout the year. This summer, the organization will partner with Aarti Sequera of The Food Network's *Aarti Party* to promote this fruit to



MANGOS FROM MEXICO

Americans love mangos and smart retailers are upping their attention to mango availability and merchandising. Mexico, the third largest mango producer in the world and the number one supplier of fresh mango to the U.S. market, is a reliable and profitable partner for mangos. A focus on Mexican mangoes will add fun to any retail department as well as display your expertise in providing fantastic tropical products to meet the growing consumer demand.

With availability from February to August, the Mexican mango is regarded worldwide as a high quality product, with exceptional organoleptic properties, especially the Ataulfo and Kent varieties. Mexico is the dominant supplier not only to the U.S., where it has two-thirds of the market share, but to the world. Though mangos are imported into the U.S. from other countries, Mexican mangos have an edge due to the short distance from production to market (just eight hours by truck from northern growing regions). The fruit can be ripened longer on trees, resulting in unrivalled sweetness.

UNPARRALLELED QUALITY AND PRODUCTION

Mexico has a stable and consistent production of high quality mangoes. Mango production occurs in 23 of Mexico's states, however, there are five states that are the principal Mango producers; Chiapas, Oaxaca, Guerrero, Nayarit, Sinaloa (from south to north). Additionally, over 80 percent of the production is concentrated in the March to July season. In the recent years, volume of mango production in Mexico has shown a constant growth and is expected to increase year-over-year.

Mexico's mango exporters work hard to produce a quality, safe and reliable product for consumption. Quality and food safety are very important areas for the Mexican mango industry. All mango exports are certified for Good Agricultural Practices by SENASICA (Ministry of Agriculture of Mexico) and the Mexican mango exporters association EMEX has devoted significant resources and time into ensuring all industry participants comply with the highest standards of certification. The Mexican industry has 54 packing plants equipped and authorized for export that comply with the national Phytosanitary standards.

PRINCIPAL MANGO PRODUCTION AREAS IN MEXICO



DELECTABLE VARIETY

The key to repeat mango sales is ensuring flavor! Educate employees and consumers on the varieties available from Mexico as well as the fact that different varieties come in different colors. Promote the variety and showcase that mangos of all colors can be ripe, sweet and good to eat.

PROMOTE USES

As consumer become more aware of the incredible flavor and variable uses for mangos, profits will increase. With trending growth among ethnic and gourmet consumers, a prominent mango program will add fun and excitement to any retail department. Health attributes are another positive aspect to promote. Mango is a rich source of vitamin A and C, both antioxidants, and is also rich in natural fiber.

Quick and easy mango promotion includes:

- Sample... good flavor will convince consumers to buy!
- Provide a Mango Smoothie recipe next to the display
- Cross merchandise with bagged salad, balsamic dressing and cheese

Mexican mangos are promoted via the National Mango Promotion Board program which has a wide variety of resources available for retail use. Check out www.mango.org for more information.

VARIETY	SEASON	SHAPE	COLOR	TEXTURE
Haden	Mar to May	Medium to big and oval to rounded	Green to yellow with touches of red color	Firm
Tommy/Atkins	Apr to Jun	Medium to big with oval or elongated form	Golden or greenish rind shamefacedly vermillion	Firm, fibrous enough texture
Keitt	Jun to Aug	Big and oval	Green shamefacedly dark red	Soft
Kent	Jan to Mar & May to Aug	Big and oval	Greenish rind shamefacedly dark red and yellow small points	Juicy and delicate
Ataulfo	Feb to Aug	Small smooth oval	Yellow	Like butter

For more information on trade with Mexico, if you would like to participate in a Trade Mission to Mexico, or for business contacts, please contact the Agricultural Office at the Embassy of Mexico:

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U.S. consumers through television appearances across the country and test kitchen visits to national magazines. Mango shipments also will be sent to national magazines to inspire editors to provide consumers with new recipes.

The NMB also has enlisted dietitians to spread the nutrition message to consumers through television, radio and print across the country and will sponsor Camp Blogaway to market mangos to bloggers and their readers. "In addition to this consumer outreach, we

will have retail and foodservice promotions taking place throughout the summer," McKenna says.

Industry experts recommend retailers allocate more promotional space to the fruit, while calling attention to its healthful attributes, of which many consumers are unaware. "These products are a great source of vitamins, minerals, trace elements, phytonutrients and water-soluble fiber," Freeland says. "Mangos also have a great appearance and tropical smell that can grab

MANGO 101

When selecting a mango:

- Don't focus on color. It is not the best indicator of ripeness.
- Squeeze the mango gently. A ripe mango will give slightly.
- Use experience with produce such as peaches or avocados, which also become softer as they ripen.
- Ripe mangos will sometimes have a fruity aroma at their stem ends.
- The red color that appears on some varieties is not an indicator of ripeness. Always judge by feel.

Ripening and Storing Mangos:

- Keep unripe mangos at room temperature. Mangos shouldn't be refrigerated before they are ripe.
- Mangos will continue to ripen at room temperature, becoming sweeter and softer over several days.
- To speed up ripening, place mangos in a brown paper bag at room temperature.
- Once ripe, mangos should be moved to the refrigerator, which will slow down the ripening process. Whole, ripe mangos may be stored for up to five days in the refrigerator.
- Mangos may be peeled, cubed and placed in an airtight container in the refrigerator for several days or in the freezer for up to six months.

Handling and Cutting Mangos:

- Stand the mango on a cutting board stem end down. Place the knife about 1/4-inch from the widest center line and cut down through the mango. Flip the mango around and repeat this cut on the other side. The resulting ovals of mango flesh are known as the "cheeks." What's left in the middle is mostly the mango seed.
- Cut parallel slices into the mango flesh, being careful not to cut through the skin. Turn the mango cheek one-quarter rotation and cut another set of parallel slices to make a checkerboard pattern.
- Either "Slice and Scoop"—scoop the mango slices out of the mango skin using a large spoon—or go "Inside Out"—turn the scored mango cheek inside out by pushing the skin up from underneath, and scrape the mango chunks off of the skin with a knife or spoon.

pb

Source: National Mango Board

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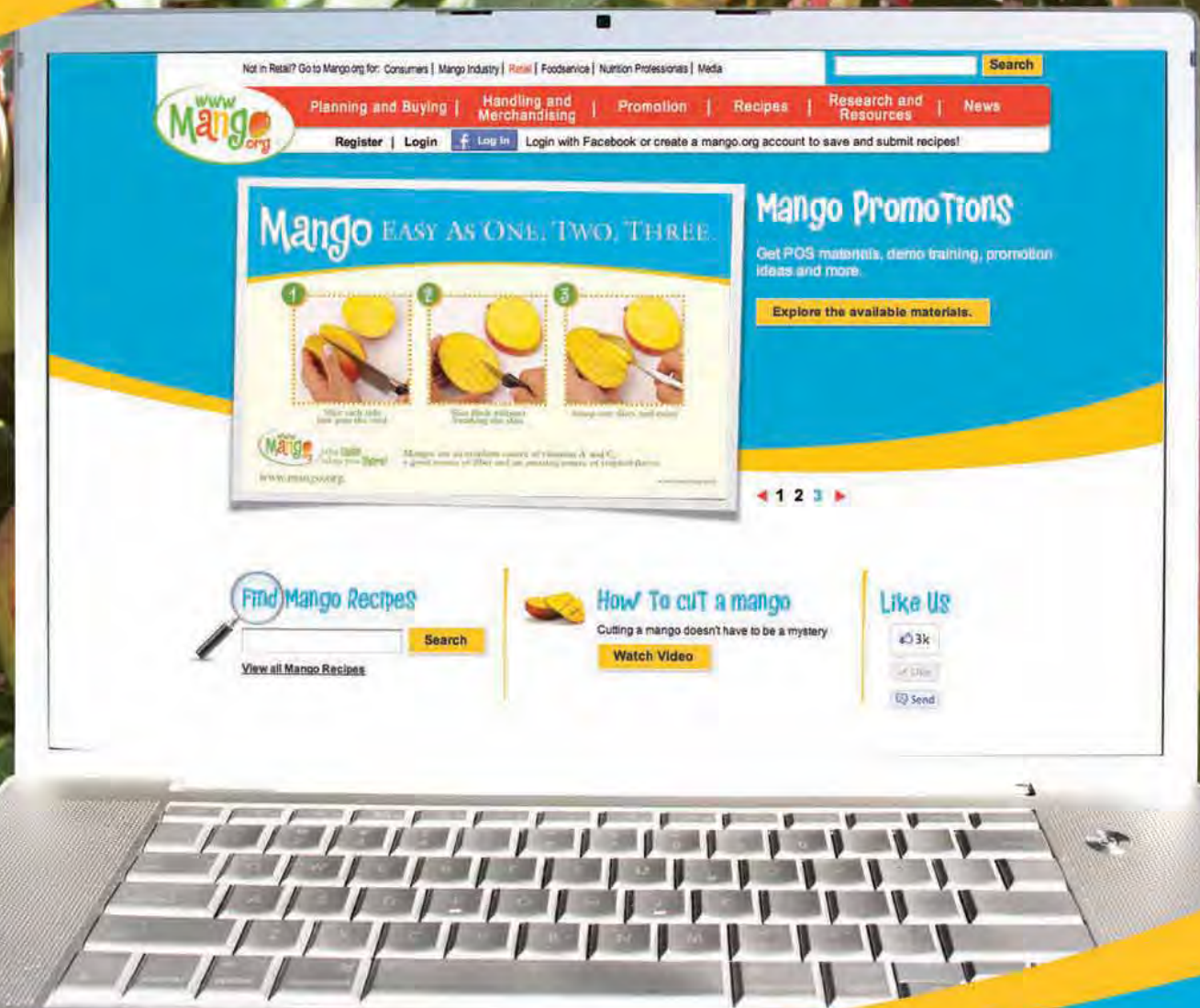
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“Mangos are one of the only commodities sold predominantly by the each, such as two-for-\$1...The industry needs to look into the possibility of selling this fruit by the pound. This way, mangos can better compete with other soft tropical fruits on a pound-for-pound basis. In turn, this will lead into the possibility of more than one size being carried.”

— Larry Nienkerk, Splendid Products LLC

consumers' attention.”

Creative merchandising tactics provide added visibility to this fruit. London Fruit color sorts its Mexican mangos to make it easier for stores to sell different varieties.

Due to the nature of this fruit, developing creative and effective marketing techniques can be challenging. “Mangos are one of the only commodities sold predominantly by the each, such as two-for-\$1,” says Larry Nienkerk, owner and general manager of Splendid Products LLC, headquartered in Burlingame, CA. “The industry needs to look into the possibility of selling this fruit

by the pound. This way, mangos can better compete with other soft tropical fruits on a pound-for-pound basis. In turn, this will lead into the possibility of more than one size being carried.”

The benefit to consumers with this method is that they can choose smaller mangos for snacks and larger sizes for ingredients in dishes. “This also would eliminate the problem of natural inflation with currencies, since inflation alone raises fruit prices each year,” Nienkerk says. “We need a more unique approach.”

There is still much opportunity in this

segment. Currently, mangos only have a 30 percent consumption rate in the U.S., and the number of consumers that bring the fruit to proper ripeness comprises an even smaller percentage.

“The only way to drive sales is to provide proper product education,” Ciruli of Ciruli Bros. says. “It’s important to get retailers on board before consumers. We are chipping away at the marketing problem every year, but it will take the entire industry to solve it.”

On a positive note, companies like Vision Import Group are increasing volumes of Mexican mangos due to increasing demand. “The great thing about the Mexican campaign is that it starts at the beginning of February and goes through September, with the peak promotional time between June and July,” Cohen says. “The fruit is at cost levels that we can make them promotable and very attractive to consumers.”

As consumers become more educated about this product and consistent strides in quality are made, there will be added visibility and usage for Mexican mangos. “The general level of quality has been improving every year for several years,” Nienkerk says. “It’s what consumers need to count on.” **pb**

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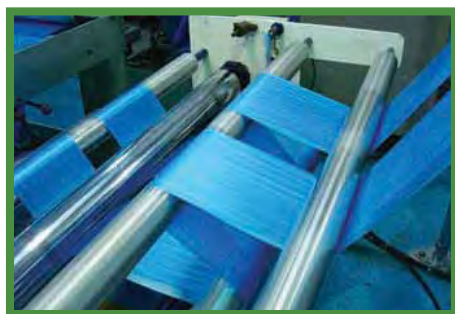
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Banacol Colombia was founded in November 1980 and has become an enterprising company that is part of an important multinational group bearing the same name. It employs thousands of people in its factories, plantations, offices and ports in Colombia, Costa Rica, the United States and Europe – all working together to satisfy the needs of demanding customers throughout the world.

Created initially as a trading company Banacol quickly became an industrial and commercial conglomerate and today its rapid growth is evident. With dedication and care, the company cultivates 8700 hectares (over 21,400 acres) of bananas in Colombia and Costa Rica and 4000 hectares (over 9,800 acres) of gold pineapple in Costa Rica. Its business contributes to the income of over 2000 plantain growers in Colombia and the company markets more than 600,000 boxes of yucca and chayote yearly.

A HISTORY OF GROWTH

The creation of the Banacol de Costa

Rica, operation in 1989 consolidated the company's position as a first-class business group, with the capability to offer products from various sources. The company's rapid growth over past decades speaks to the value it has consistently provided for customers.

Its presence in Costa Rica allowed it to enter the pineapple business, initially selling its product to other multinationals. In 2001, as a result of redefining its vision and mission, the company started marketing directly in the United States and Europe under its brand "Venecia". Its increase in production and market participation has been quick and on target, presenting an exponential growth since its first year of marketing.

The purchase of banana plantations and port operations in Colombia in June 2004 by the parent company of Banacol Colombia was an unprecedented step that transformed Banacol into the leading company in banana production in Colombia and one of the most important in the international arena. The move increased threefold its productive capacity through the operation of 39 company-owned farms with a geographic area of over 7,000 hectares (over 17,200 acres) and the main logistic port operator of Urabá. The acquisition has allowed the company to achieve significant savings, become more efficient and capture greater synergy.

Banacol currently directly employs more

than 8,000 employees. These employees, living and working locally with their families, make up a significant group of over 32,000 people, who derive their income and family development from the company.

VERTICALLY INTEGRATED FOR QUALITY

Since the early days in the 1980's, Banacol Colombia clearly had a vision of becoming the leading company in production, transportation, and marketing of bananas. Year after year, it has experienced significant growth, expanding its plantations and starting a Vertical Integration process in 1984. It's strategy has included the production of plastic materials and boxes, and aerial fumigation. These innovations played an important role in allowing the company a competitive advantage across the entire chain of production and marketing chain.

Banacol Corporation has expanded considerably in the commercial area, through the export of tropical fruit, the sale of raw and agricultural materials, and the service of cargo transport. Consequently, it has been able to consolidate in markets in where it has historically been present, such as the United States, Canada and Europe.

To ensure quality, the company manages its own port operations and commercial logistics and maintains offices in Colombia, Costa Rica, the United States and Europe. It currently ships to the final destination port of Eddystone, PA, in the U.S. from Turbo, Colombia, and Moín, Costa Rica, on a weekly basis and with short transit times. This Northbound rotation represents an advantage as it involves fewer days of inventory.

Banacol is committed to finding logistics efficiencies to better product quality and the business in general. Customers can count on the unbeatable advantage of Banacol in terms of transit times, weekly frequency and vast experience in handling cargo. Ships are built with a multipurpose orientation and can accommodate almost any merchandise: containers or bulk.



PRODUCT PORTFOLIO

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Origin: Urabá, Colombia

Destinations:

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Europe (Portugal, Spain, France, Italy, Holland, Belgium and England)



PINEAPPLE:

Origin: Costa Rica

Destinations:

US (North East Coast)

Canada (Montreal, Toronto)

Europe (Portugal, Spain, France, Italy, Holland, Belgium, Germany and England)



TROPICALS (YUCA & CHAYOTE):

Origin: Costa Rica

Destinations:

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Canada (Montreal, Toronto)

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Destinations:

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Florida Spring Produce Kicks Off With New Promotions

As the main supplier of spring produce, Florida has new products and a number of promotions planned this year to kickstart the selling season. **BY LISA WHITE**

Spring is synonymous with Florida produce. Case in point, before many other states even begin spring produce harvests, Florida's bounty is being distributed. Publix Super Markets, a Lakeland, FL-based chain with more than 1,000 locations, almost 750 of these in Florida, offers an extensive and varied selection of produce from its home state. Alongside the requisite tomatoes, green beans and bell peppers are the less common produce items, such as Thai guava, Napa and *boniato*. The state's newest and one of the most anticipated items, Tasti-Lee tomatoes, marketed by Wimauma, FL-based Red Diamond Farms, will be debuting at stores this spring. Bred by the University of Florida, this product touts a bright red color and, many say, an enhanced flavor.

"In the past four to five years, we've seen sales of Florida fruits and vegetables grow from \$1.6 billion in 2006 to \$2.1 billion in 2010, with \$500 million in expanded cash receipts over this period," says Dan Sleep, supervisor/senior analyst at the Tallahassee-based Florida Department of Agriculture and Consumer Services (FDACS). "This has

added thousands of jobs in our state."

To fully take advantage of the profit opportunities Florida's spring produce offers, it's important to become familiar with the many types of fruits and vegetables that are available, new products being launched this season and the spring promotions planned by associations and Florida growers.

What's Out There

Florida ranks first in the nation for a host of spring vegetables, including snap beans, cucumbers, bell peppers, sweet corn, tomatoes and squash, according to the Maitland-based Florida Fruit & Vegetable Association (FFVA). Its main spring commodities include cabbage, carrots, celery, sweet corn, cucumbers, eggplant, lettuce, peppers, potatoes, squash and tomatoes.

The FFVA reports seeing an influx of blueberries, tomatoes, sweet corn and snap peas this season. "Two dozen Florida produce commodities come out in the spring," says Lisa Lochridge, director of FFVA's public affairs division. "Last year at this time, we already had experienced two record-breaking

freezes in our state, but we anticipate this season to be a strong one."

Although cold weather is a factor for most of the state's growers, Wish Farms' location virtually insulates its crops from Florida freezes. The Plant City, FL, grower has 180 acres of bell peppers, 35 acres of grape tomatoes and has recently begun growing both eggplant and squash for spring distribution. "We are surrounded by water and Charlotte Harbor in a warm spot that is almost freeze-proof," says Gary Wishnatizki, Wish Farms' president and CEO. "A wind machine covers us if there's any frost, so our crops have survived the state's freezes."

The company recently began packing its grape tomato clamshells with a Quick Response (QR) code that traces product back to its harvest date. The code also provides details about the farm where items are grown, the varieties available, recipes and nutritional facts. Customers can access this information through Wish Farms' website.

Florida's tomato offering, in particular, is strong and varied, with round, Roma, grape and cherry varieties available. The spring

season also brings a bevy of Florida fruits, including blueberries, oranges, grapefruit and tangerines.

"The spring watermelon crop is usually large from Immokalee to northern Florida," says Chuck Weisinger, president of Weis-Buy Farms Inc., a Fort Meyers, FL, grower. "New Florida produce items that consumers should look for this season are mini watermelons, tropical fruits, okra, avocado and grape tomatoes."

November through May is Florida's big produce production period, with the majority of harvests taking place in April and May. In most instances, fruits and vegetables are in distribution within 24 to 48 hours of being harvested.

"This year, there are a variety of items that are coming out of Florida for the first time, such as broccoli, which we started shipping in March and April," Sleep says. "Celery also is in production during these months. It's not new, but has doubled in production over the past couple of years. Consumer interest in blueberries, available in April and May, also has grown significantly."

In addition, there has been an uptick in

less conventional spring produce from Florida that many attribute to consumers' more sophisticated palates as well as the country's focus on healthful eating. In response to this trend, Brooks Tropicals, in Homestead, FL, will introduce passion fruit this spring. The company also supplies lychees, green mangos and *boniatos*, which are tropical sweet potatoes.

Fellsmere-based B&W Quality Grower Inc. grows conventional and organic watercress, in addition to gourmet pea tendrils, wild rocket, baby arugula and Bordignon baby red spinach. The company recently introduced gourmet blends of these items for the foodservice and retail segments.

Florida is a hot spot for spring produce as well. Alderman Farms Sales, based in Boynton Beach, FL, is in its third year of growing organic green and yellow squash, cucumbers, green beans, tomatoes, corn, bell peppers, mini sweet peppers and a variety of tomatoes. New items being introduced this spring by the company include broccoli, cauliflower and kale. "Tri-color corn and green beans are hot items right now," reports Al Helal, head of Alderman Farm's

Chef Justin Timineri will work with the Florida Tomato Committee and the FDACS to promote Florida-grown products to consumers.



PHOTO COURTESY OF FLORIDA TOMATO COMMITTEE

sales and business development. "The biggest benefits in buying Florida spring produce are the supply, freshness and lower cost. Also, it's

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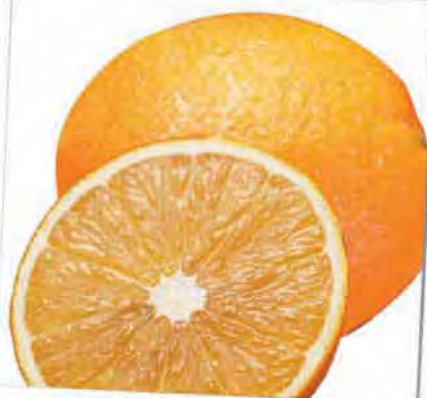
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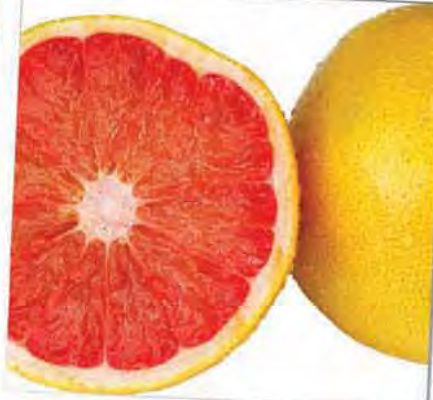
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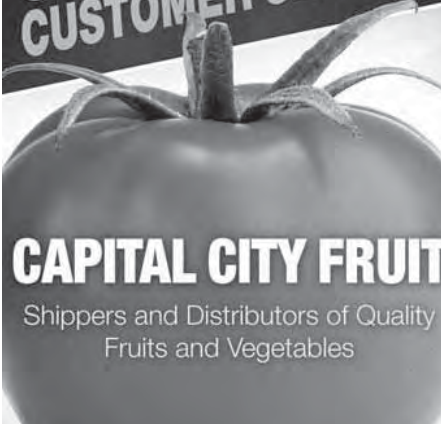


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“This year, there are a variety of items that are coming out of Florida for the first time, such as broccoli, which we started shipping in March and April... Celery also is in production during these months. It’s not new, but has doubled in production over the past couple of years. Consumer interest in blueberries, available in April and May, also has grown significantly.”

— Dan Sleep, Florida Department of Agriculture and Consumer Services

environmentally friendly with a smaller carbon footprint [when compared with imported produce].”

The environmental impact has become increasingly important to retailers, as well. This is especially true at Publix, which initiated a sustainability program back in 2001. Its “Get into a Green Routine” program began with education and conservation, then expanded to include waste reduction, recycling and an emphasis on conserving resources. “For Publix, these products are grown very close to our stores, so product spends less time in transit,” says Maria Brous, director of media and community relations for the chain. “Publix has always supported the communities and growers in the markets where we do business.”

Marketing And Promotions

One of the biggest benefits of growing and selling Florida produce is the marketing support offered, not only from the FDACS, but also the state’s growers and marketing organizations such as the FFVA and Florida Tomato Committee.

Publix Super Markets has worked closely with the FDACS and several of the Florida commodity boards for many years. “As long as the weather cooperates and there are adequate suppliers, we will support Florida products across our company nearly every week in our ad,” says Brous. “We also support several of these products with our At Season’s Peak campaign.”

FDACS currently works with 40 retailers in close to 13,000 stores on produce promotions. When the department began its promotions in 2001, it started with a small retail presence that included only two chains and 300 stores. In addition to running ads, the department conducts sampling of items and some point-of-purchase materials, along with direct assistance. For example, most recently, the department lent its logo to Harvey’s, a Salisbury, NC-based 71-store supermarket

chain with locations in Georgia, Florida and South Carolina, which decorated its store interiors with a Florida theme to promote the state’s spring produce.

This spring, a core of 19 commodities is targeted for promotional efforts by FDACS, although many other smaller production commodities are routinely included, like mushrooms and broccoli. The other commodities being showcased include bell peppers/peppers, blueberries, cabbage, celery, cucumbers, eggplant, grapefruit, melons, oranges, potatoes, radishes, snap beans, squash, strawberries, sweet corn, tangerines, tomatoes and lettuces.

Its programs are not just in the United States, but also worldwide. After promoting Florida grapefruit in South Korea, sales in that country increased by 50 percent. There are currently promotions occurring in Sweden, Denmark, Central America and the Caribbean. “When we began promoting Florida produce into Canada a decade ago, sales were pretty flat,” Sleep says. In 2001, Florida produce exports to Canada were \$290 million. As a result of the department’s promotions, which included 100,000 store ads, sales have almost doubled to \$500 million. “Constant expansion has resulted in our signature retail marketing campaign, dubbed ‘Global Grid,’ which reaches more than 10,000 stores in more than three dozen chains worldwide since 2004,” Sleep says.

Beginning in Florida, the promotion expanded across the Eastern and Midwestern United States into Canada and to nations around the world. Currently, a dozen Central American and Caribbean nations, in addition to Colombia, Peru, Singapore, South Korea, The United Kingdom and Sweden, now feature Fresh from Florida products. Additional sales of produce items from these efforts surpass \$100 million annually, creating 3,000 to 5,000 new jobs each year in Florida, according to the Department.

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Maitland-based Florida Tomato Committee (FTC) has promotions set up with retailers this spring season to help spur tomato sales movement through communications and promotions with retailers. Its efforts include customized sales contests, in-store radio, cooking demonstrations, sampling programs and display contests as well as advertising circulars and newsletter and magazine support. The FTC also provides retailers with point-of-purchase promotional posters, shelf cards and tear-off recipe pads to help spark merchandising creativity at the store level.

In addition, the FTC has developed merchandising tactics and recommendations based on a two-year comprehensive study that involved outreach to retailers. "Over the past two years, the FTC has conducted consumer research that included 1,500 in-store intercepts of tomato consumers in the produce departments of four major retailers in the South and Northeast regions, studied tomato category performance trends of 45 retail banners over three years, and conducted in-store audits of six chains focusing on what made the category successful and what held them back," says Samantha Winters, the FTC's

marketing director.

Florida tomato growers have been investing for years in the University of Florida's IFAS Public Tomato Breeding Program, exploring tomato varieties that will grow well in Florida with disease-resistance and high-quality flavor. "One of the more recent and successful varieties out of this program is the Tasti-Lee, developed by the University's Dr. Jay Scott and bought by [Oceana, CA-based] Bejo Seeds," Winters says.

This season, the FTC is continuing its partnership with FDACS to help further build awareness for Florida tomatoes. The organizations also are again teaming up with The Florida Chef, Justin Timineri, to increase consumer interest in these items.

This spring, the FTC will be partnering with the national *Cooking Channel*, the sister station of the *Food Network*, to run tagged tomato short forms or video vignettes with television chef, Emeril Lagasse, as well as 15-second television commercials during April and May. The commercial shows Emeril instructing viewers how to prepare tomato recipes such as his bruschetta appetizer, and includes Florida Tomatoes' logo as well as a



five-second tagline. Each commercial is immediately followed up with a 15-second promo commercial from the FTC. The *Cooking Channel* will run FTC's television commercials 285 times during April and May, the peak of Florida's spring produce.

To further its efforts, an FTC radio campaign is geared to drive traffic to the supermarket during peak season this spring. A mix of live local personality endorsements

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“As long as the weather cooperates and there are adequate suppliers, we will support Florida products across our company nearly every week in our ad. We also support several of these products with our At Season’s Peak campaign.”

— Maria Brous, Publix Super Markets

and radio commercials will highlight Florida’s family farms and growers. The endorsements and commercials run in most major markets in the northeast and southeast during April and May.

“A lot of promotional money is already in place and being put into production,” says Scott Seddon, brand manager at Pero Family Farms Food Co. LLC, based in Delray Beach, FL. The company offers a variety of Eastern row crop, bulk, value-added and fresh-cut produce. “This year, we have increased acreage of our mini sweet peppers.”

DiMare Homestead Inc., in Homestead, FL, also has met with its retail customers to help offer and promote Fresh From Florida tomatoes for this coming spring season. The company produces round field grown, Roma field grown, grape, cherry and yellow varieties. It also offers greenhouse-grown TOV’s, Romas and Campari tomatoes. “There is only so much demand for each type of tomato in the category,” asserts Tony DiMare, the company’s general manager. “We continue to fracture the category by offering too many new and different types. Retailers can maximize sales by supporting the local product in their back yard and offer the products at reasonable retail prices.”

Counting On The Chains

A number of East Coast retail chains are highlighting Florida spring produce, providing more visibility to this category. “Whole Foods does a great job of display and food preparation for the consumer and eating public,” says Mike Shapiro, who handles sales at Weis-Buy. “Also, new SweetBay supermarkets have two entrances. One entrance puts the consumer directly into the produce area. Markets have become a regular lunch stop for many people because of convenience and speed. Price is not as important when the food looks so good.”

In addition to promoting the sale of Dominican Republic red and yellow peppers this spring, Weis-Buy’s goal is to make long-term deals with chain stores. “We are working on a spotlight (green, yellow, red) package

and a tri-color (red, yellow, orange) package that can be shipped from Florida,” Shapiro reveals. “This will eliminate or reduce the cost of packaging at the destination point. Each shipper has deals with receivers of its choice.” He adds that although the Florida Tomato Committee works with media and often runs ads on radio and in print, there is a limited supply of money for these promotions.

What works to the state’s benefit is that Florida is the only area in the U.S. during the winter and spring that grows a wide variety of fresh fruits and vegetables.

Also, there are 11 state universities in Florida, many with agriculture departments that are constantly working on new produce varieties with improved flavors and ripening. “We consistently receive research to improve flavor and ripening quality of our fruits and vegetables,” Shapiro says. “We feel that there will be more items this spring for consumers to find in the produce aisles. Eating more fruits and vegetables is part of a healthy lifestyle.”

Retailers can provide more information about Florida vegetables in the grocery area of their markets to effectively merchandise these products. This should include details about flavor, preparation, cooking and different types of produce consumers can buy.

One of the challenges is the shortage of shelf space. There are so many varieties and types of produce from Florida that it can be difficult securing a spot. “Our major problem these days is showing off our produce,” Shapiro admits. “With the abundance of produce we grow, there is always a fight for shelf space. For example, retailers put tomatoes next to persimmons and the jack fruit, which creates a colorful display, but reduces

the space for showing Florida produce.”

One effective solution and a way in which stores can further maximize sales of this produce is by putting these items on carts around the stores and cross-merchandising it with salad dressings and other like products. “In many supermarkets, the produce department is in the rear of the store. This way consumers can see fresh produce when they enter,” Shapiro says. “Publix Super Markets provides a great example of how a store can implement innovative marketing. At its locations, produce is being cooked with new preparation methods and combined with other items. Fun recipes are also offered.”

B&W Quality Growers is focusing its efforts this spring on introducing new items, rather than promotions. The company’s marketing mix includes point of sale materials, menus and sampling programs, extensive menu and recipe support as well as



product educational programs. “The most impactful trend of the past several years has been the explosion in the popularity of locally grown produce,” says Andy Brown, B&W’s director of sales and marketing. “Florida is the salad bowl for much of the nation during the winter months, and attention should be given to bringing more visibility to locally grown items.”

As part of its promotional efforts, Wish Farms will have information about packaging, videos on its website that explain codes and details on growers so consumers can learn more about the farms. “Consumers absolutely want to know where their produce

comes from,” Wishnatzki says. “We’re linking our website to videos of growers. We also will include relevant information that consumers need, which will give them a reason to buy more product.”

Wish Farms also has expanded its offerings to include tray packs and bagging. It has begun exploring other marketing methods, such as including recipes on bags and preparation information on its labeling. “There is an avenue for value-added produce,” Wishnatzki says. “It’s important that Florida produce is identified as ‘grown in the USA.’ This brings added value to retailers that want to sell American-grown products.

Lochridge at the FFVA agrees that the Florida produce industry is responding to consumers’ desire for convenience. “It is



PHOTO COURTESY OF PERO FARMS

driving a lot of what they do, whether it’s the type of packaging that is designed to keep produce fresher longer or smaller serving sizes that can be popped in a microwave for a convenient and healthy meal. That is what producers are looking to do, which is use innovation to grow sales in this category.”

Along with convenience, Florida spring produce promotions capitalize on variety and healthful options. “It’s the sheer number of commodities coming out of Florida in the spring, as well as the timing, that are the key factors in this segment,” Lochridge says.

Loxahatchee, FL-based J & J Produce Inc., which grows green bell peppers, squash, green beans, round tomatoes, eggplants, cabbage, sweet corn and watermelon, starts analyzing its upcoming promotions in January. “We hope to have a variety of promotions with our commodities, working with the locally grown program,” says Brian Rayfield, vice president

of sales and marketing. “We will have as much, if not more, acreage than last year.”

The company promotes its products to individual customers, concentrating on bell peppers with one customer or green beans with another, depending on the store. “There is no doubt that locally grown is more than a fad; it’s a trend now and important to consumers,” Rayfield says. “Obviously, produce can’t always be locally grown everywhere, but product grown in the United States would be a step in the right direction. Spring is just the start of the local deal. If retailers and producers work together, it’s a benefit for everyone.” He cautions that retailers should know who they’re working with, make sure to employ a national sales plan and enact stringent food safety to allow local producers to harvest a few weeks out of the year.

With the influx of new products, decent growing conditions and a number of promotions lined up for the spring season, Florida spring produce sales are destined to continue on a solid growth path for 2012. “This will be a strong season for Florida spring produce,” Lochridge predicts. **pb**



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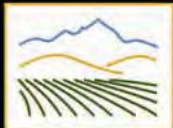

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Whether you go with the traditional wooden pallet or a new, nestable presswood pallet, there are plenty of options from which to choose.

Pallets: The Right Tool For The Job

With a number of options available to transport fresh produce, growers, shippers and wholesalers must investigate exactly what they are looking for from their pallets. **BY BOB JOHNSON**

Before produce ever reaches the retail shelves, it travels across the state or country, or even around the world, on pallets. The choice of pallets can have a significant effect on the bottom line, and on whether the product reaches the store safe and sound. No one pallet design is best for all purposes; it is a question of having the right tool for the job.

The Keys To Longer Life

When it comes down to it, nothing affects the durability of pallets like the skill and care of the forklift operator. "Wood is a renewable resource and the most cost effective material, but the durability of wood or any material pallet has to do with the forklift driver," says Bruce Scholnick, president and CEO of the National Wooden Pallet and Container Association (NWPCA), in Alexandria, VA. "He can ruin a pallet on the first trip or he can ruin it on the fifteenth trip."

The design of the pallet, however, can give the forklift operator a greater or lesser margin of error. "People are getting away from stringer pallets and moving toward block pallets," adds Scholnick. "You can pinwheel a block pallet in a small space. You have a true four-way entry. There is a movement by many retailers,

including Costco, toward block pallets. They will be a little more expensive. The payoff is that they are a little more forgiving of the forklift driver, and thus, last longer."

Block pallets use stringers in both directions, which makes them stronger and allows the forklift operator to approach them from any direction. Some major retailers are requiring block pallets in order to safeguard their merchandise. According to Lewis Taffer, chief marketing officer for iGPS, in Orlando, FL, "Block pallets are taking over from stringer pallets. Costco has basically said they will only receive merchandise on block pallets."

There are product security and safety advantages to this stronger design. "Block pallets are much stronger, so there is a better chance your merchandise will arrive in good condition," Taffer says. "Plus, stringer pallets are not as safe when they are stacked up."

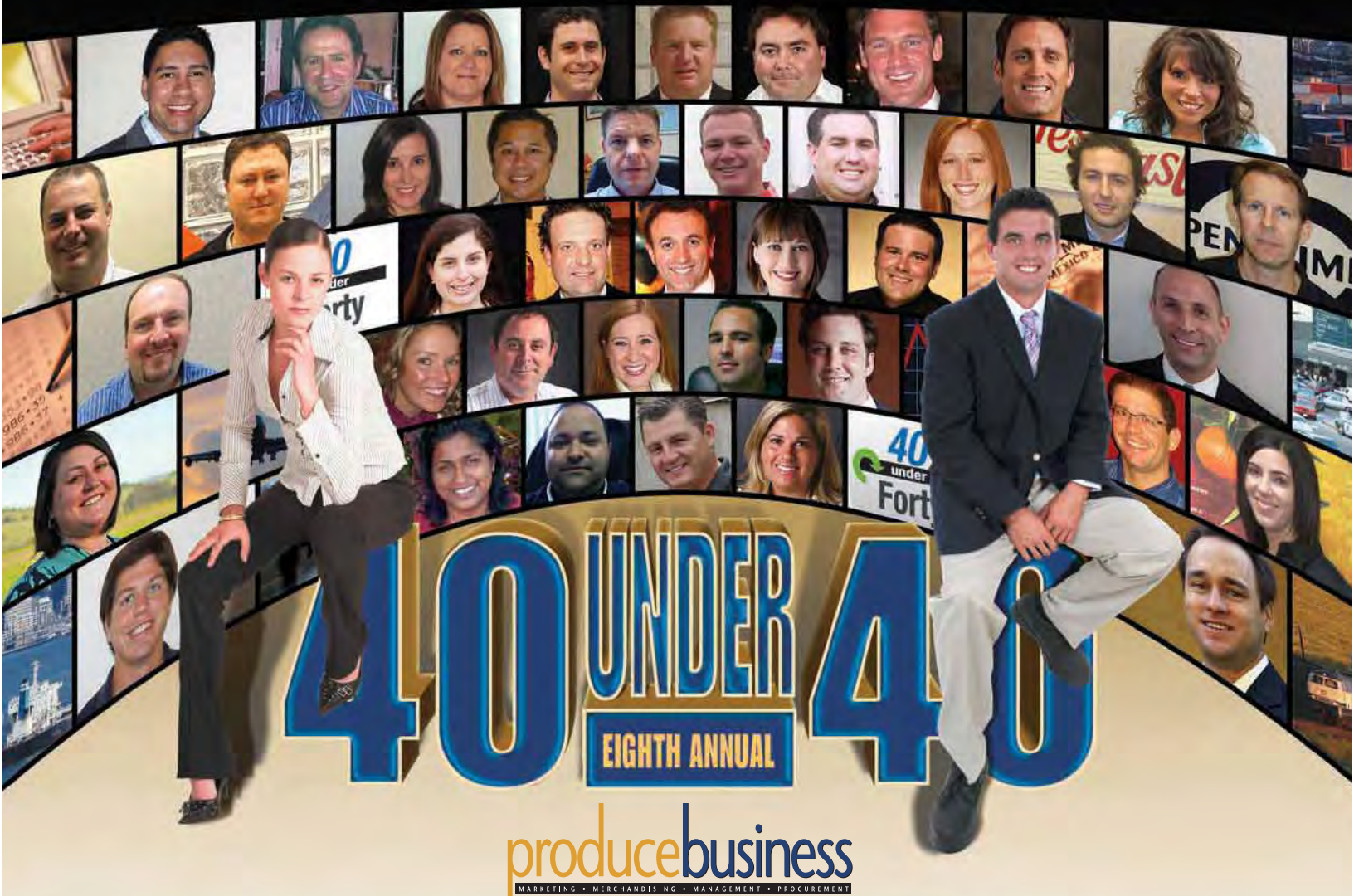
There is a price to be paid, however, for the advantages of block pallets. They cost around \$22 or \$23 each, according to Taffer, while stringer pallets at the low end might go all the way down to \$7. The cost difference in construction is offset by reduced shrink of the products, and by longer life of the pallets.

Tremendous resources are devoted to

finding pallet materials and designs that hold up longer, or ways of reconditioning pallets so they can be used longer, because the key to economy is how many times the pallet can be used. "Reusable pallets continue to grow in the produce industry because the value of pooling and similar programs has been proven to reduce costs and lower the user's carbon footprint," explains Skip Miller, vice president of quality and customer value at Orlando, FL-based CHEP. "Retailers want to receive product on a platform that won't cause damage at the distribution center or in transit to the store, and a returnable pallet is, by its nature, of higher quality than most single-use platforms."

CHEP issues, collects, reconditions and reissues more than 300 million pallets. "CHEP has spent millions of dollars building and upgrading its pallets to a higher standard that limits the potential for product damage and is designed to work with the latest automated product handling systems," adds Miller.

Another company that pools and rents pallets is Yonkers, NY-based PECO Pallet Inc., which was acquired early last year by private investment firm, the Pritzker Group. According to an August, 2011, article by *Reuters*, PECO's CEO David Lee said, "We



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repair the products continuously. This is where we work to differentiate ourselves very strongly from anybody else.” PECO pallets are known for their signature red wood block pallets.

Plastic pallets cost more up front, but they last longer. “To rent a plastic pallet, the cost is about the same as wood,” says Taffer. “They cost us a lot more to buy, but they last longer.”

Another key to longer-lived pallets is a combination of logistics, materials and repairs that get them back into use. Dan Martin, vice president of sales at Tampa, FL-based IFCO Systems LLC, states, “The reconditioning of pallets is a growing segment of the shipping platform business, specifically because the process does reduce waste. By combining supply chain logistics services like pallet procurement, repair, shipping, tracking, sorting and retrieval solutions, companies such as ours are enabling produce grower/shippers and their retail customers to dramatically lower their carbon footprint.”

Economy Of Price And Knowledge

There are many ways to reduce the cost of pallets, and starting out with the least expensive product may not be the best one. “If a customer is looking for a very low cost pallet

“There is a movement by many retailers, including Costco, toward block pallets. They will be a little more expensive. The payoff is that they are a little more forgiving of the forklift driver, and thus, last longer.”

— Bruce Scholnick, National Wooden Pallet and Container Association

and is interested in only one trip, it’s not going to last,” warns Scholnick of the NWPCA. “When you’re talking about a food-grade pallet, the only way to reduce the weight is to reduce the dimensions, and then you get into questions of durability,” Scholnick says.

Another way to economize may be to use pallets that are ready to double as retail displays. “Retail-ready pallets, whether they’re made of plastic or another material, both reduce waste associated with pallets and increase productivity because there are fewer touches to the products through the supply chain,” says Jim Vangelos, president of US Polymer Logistics, in Riverside, CA. “They are also a great way to merchandise product to the shopper.”

The greatest savings could come from making full use of the pallet supplier’s knowledge. In tracking their pallets they are also

tracking the movement of your inventory, which makes them well positioned to see inefficiencies. “Pallet companies have insight into a wide variety of supply chain issues and see best and worst practices every day because they interact with such a wide range of companies, both in the retail channels and in other industries,” notes Martin. “For instance, if a produce grower is having a challenge with product damage in a specific route, the pallet company can compare that route to others that aren’t seeing damage and determine the root cause quickly and accurately.”

This makes it worth the time and effort to develop a partnership with the pallet supplier. Vangelos suggests, “Retailers should rely on their pallet supplier for support on packaging issues, shrink and receiving, storage and shipping processes. We are partners with our retailer customers and want to help them anywhere a pallet goes, with or without a load.”

This partnership can result in reduced trucking costs if shipments are coordinated more efficiently. Tim Hinson, vice president of logistics at CHEP, says, “Pallet companies have visibility of products and transfers from the point of production or processing to the point of sale, which gives them a unique ability to see and then fix pain points in the physical supply chain. This isn’t limited to addressing pallet issues, but extends to general logistics and distribution issues related to warehousing and transportation,” he continues. “As an example, at CHEP we’re working with growers, manufacturers and retail customers to reduce the number of trucks running without freight by coordinating our shipments of pallets with their shipments of products.”

Lighter or smaller pallets, when they are feasible, can save money by significantly reducing shipping costs. “Our company rents plastic pallets,” says iGPS’ Taffer. “They are 35 percent lighter, creating a savings of 27 pounds a pallet.”

Litco International Inc., in Vienna, OH, makes presswood pallets that are lighter weight and nestable. “Inca pallets are nestable, therefore saving labor and handling costs and freeing up valuable space,” says vice president, Gary Sharon. “At 50 pallets per stack, it takes half the



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In an industry as dynamic and ever changing as perishable distribution, Produce Pro Software has been leading the way for over 20 years. Started in 1990, Produce Pro currently services over 25 customers in North America and Canada, including some of the biggest names in perishable distribution. Four areas make Produce Pro unique: the depth and breadth of its enterprise software, the industry-specific experience of its people, the forward thinking and practical nature of its diverse customer base, and the personal care of its customer support. From lot-based real time inventory tracking, accurate charge allocation, detailed sales analytics, to integrated warehouse management, Produce Pro provides a premier one-stop-shop for perishable distribution software. "We think of ourselves as the last system our customers will ever need," states Dave Donat, president of Produce Pro.

At a technical level, Produce Pro subscribes to a "keep-it-simple" approach. Produce Pro has written and supports all of its modules internally, resulting in customers only needing to call one number for support. Produce Pro software supports communications with trading partners via EDI and interacting with third parties for trip routing or other specialized functionality. "Our accounting, E-commerce, and WMS (Warehouse Management System) are fully integrated," explains Donat. "Additionally, our technology architecture allows us to make custom changes for our customers and implement them in a short period of time."

This architecture also provides a great deal of flexibility in how people connect with the system. From laptops or desktop PCs and Macs, thin clients, and even iPads,

Produce Pro works out of the box. Produce Pro has innovated ahead of the game with mobile sales apps for the iPad, iPhone and Android devices.

Over the past 22 years, Produce Pro has grown to a team of more than 55 professionals including many from within the industry. From trainers to business improvement consultants, Produce Pro provides far more than software but a total business partnership. According to Tony Zuccato, vice president of operations, "Produce Pro's services started out as a means for enhancing the system, training users and implementing software. Over the years we have added seasoned industry professionals and have seen our service offerings expand to include improving warehouse operations and other industry specific best practices, helping organizations save money by streamlining processes."

While many software vendors take a "wait-and-see" approach to the Produce Traceability Initiative, Produce Pro Software has a strong and proactive development attitude. "I have taken it upon myself to be on the cutting edge of the PTI," comments Donat. "Our system has always been able to trace product, but now my goal is to ensure Produce Pro's users have the tools to meet the demands of their customers. I actively participate on the PTI Technology Committee and work closely with members on other committees as well."

Produce Pro was designed as a lot tracking system from day one, which has allowed the company to quickly and easily update the software for the new PTI requirements and keep up with each milestone. Produce Pro is actively updating its customers' software to be ready and ahead of the curve for when the PTI goes live across the industry. For a full listing of Produce Pro's customers and more about its products and services, visit www.Producepro.com.

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“Pallet companies have visibility of products and transfers from the point of production or processing to the point of sale, which gives them a unique ability to see and then fix pain points in the physical supply chain. This...extends to general logistics and distribution issues related to warehousing and transportation.”

— Tim Hinson, CHEP

amount of time to unload a trailer and supply workstations. The lighter weight saves the equivalent of 21,000 pounds of unnecessary shipping expense for every 1,000 pallets shipped. The outbound freight savings alone could potentially offset the price paid for the pallet.”

The company has also introduced smaller sized Inca presswood pallets, such as a 24x40-inch for shippers of less than full pallet loads. “There is a trend in business to reduce inventory levels by ordering less than pallet loads of product because of the slow economy,” Sharon

reports. “Currently, many shippers are using their standard, large-size pallets to ship these small-size loads. Since the pallet is too large for the load, the rate of damage, rejected loads and customer complaints increase. The small size pallet will increase the stability and performance of the unit load and therefore, decrease pallet and product related damage,” he explains. “It may sound less expensive to use that larger pallet, but in the end, it is much more expensive. The smaller sizes are also viable for point-of-purchase displays.”

Side Note

THE CANADIAN CONNECTION

An estimated 300 million pallets move between Canada and the United States annually. A possible change in wooden packaging regulations that would require bug-free pallets could come as early as 2013. A huge increase in demand for pallets that meet the specification would create a shift that would strain the supply of export wooden pallets.

The regulation is known as IPPC-ISPM 15 (International Plant Protection Convention-International Standard for Phytosanitary Measures). Though most countries that trade internationally have already adopted and enforce the standard, Canada and the United States had agreed not to adopt ISPM 15 when shipping between each other.

Heat-treating is the most desirable and popular method to kill infestation in conventional wooden pallets. But an overwhelming increase in demand could outstrip the available heat-treating capacity and create an export pallet supply shortage. This event will force pallet users to seek alternate types of shipping pallets to meet their demands, such as plastic pallets, which can easily meet these phytosanitary requirements. “You don’t have the same sanitary issues with plastic pallets as you do with a wooden one,”

iGPS’ Taffer says.

Litco’s Inca presswood pallets would be suited to fill that gap, says Sharon. “Inca pallets are very popular with exporters because they are ideal for export shipping. They are considered ‘processed wood,’ bug-free and meet the export specifications requirements per ISPM 15. They are accepted anywhere in the world without import delays or extreme penalties,” he notes. “Inca pallets are compliant without the hassle and expense of further treatment and special stamping. Unlike typical heat-treating, the wood-drying process will not promote the growth of mold.”

The presswood pallet is also free of some chemicals that can be of concern for produce shipments. “They are free of chemicals, including TBP, TCP and TCA, which are a concern to food, produce and pharmaceutical manufacturers,” Sharon adds.

While Litco waits to learn if an agreement between Canada and the United States will open a huge new market for Inca, Sharon believes this pallet is already popular for export shipping and that it’s a viable alternative for shipments within the United States. “The cost is comparable, and it performs similar to wooden pallets and is capable of multiple trips,” he says. **pb**

For both economic and environmental reasons, different systems of reusing pallets are becoming the norm. “Both closed loop returnable pallets, which go between one supplier and one retailer, and pooled pallets, which flow from many suppliers to many retailers, are growing,” according to Vangelos of US Polymer. “This is because of the total value the two processes deliver to the supply chain, as well as the positive environmental impact of a reusable pallet versus a one-way pallet.”

But there can be ongoing negotiations over who pays what share of the cost of the pallets.

Irene Gebe-Norris, owner of Loads to Go, located in Portland, OR, says, “There is a little bit less pallet exchange because the shippers don’t want to pay for it. The retailers like it because they don’t have to pay for the pallets.”

The new system of covering the cost is to rent the pallets, which has the virtue of simplicity. “Pallet exchange is going way down,” reveals iGPS’ Taffer. “The pallet rental model is better; you pay a fee and you’re done.”

Keeping Food Shipments Safe

Food safety has become the highest priority from field to fork, and that includes the packaging food comes in and the pallets on which it travels. In recent months, however, packaging and pallets have come out looking clean under closer scrutiny.

“Everything has calmed down a great deal in the last six months,” acknowledges NWPCA’s Scolnick. “There was a lot of talk about who was the most environmentally friendly and health-conscious in terms of the materials since the FDA assumed new authority. There have probably been 200 product recalls in the past year and none of them had to do with packaging or pallets.”

One exception is that wooden pallets cannot come in direct contact with foods, such as in meat and poultry processing plants. “If there is a chance that pathogens can get on the pallet, then USDA/FDA-approved pallets must be used, like plastic or stainless steel,” says Litco’s Sharon. “The plastic and stainless steel pallets are priced much higher than wood and not cost-effective for shipping. However, they are a good choice when used internally because they may be steam-cleaned and reused many times. Wooden and presswood pallets are more economic for shipping, and may be safely introduced after the meat has been contained in a bulk plastic bag and bin or packaged,” he adds.

“Certain processed fruits and vegetables should also not come in direct contact with wood or presswood pallets,” Sharon reminds. **pb**

Onions On The Menu

With a wide variety of onions to choose from, foodservice operators are getting creative with their applications, making onion lovers out of anyone. **BY MEREDITH AUERBACH**



PHOTO COURTESY OF VIDALIA ONION COMMITTEE

Michael's Genuine, in Miami, FL, has moved onions to the center of the plate with its Wood Oven Roasted Onions Stuffed with Lamb and Apricots.

In foodservice, onions are practically ubiquitous. But do they get the respect they deserve? Fundamental to savory dishes from stocks to salsas, soups and braises, snacks and appetizers, onions are the base for nearly every dish, yet big new starring roles are still hard to come by.

The availability of commodity and specialty onion varieties has never been broader. With the world to source from, extended seasons help smooth out the supply chain. Chefs and foodservice procurement specialists educate themselves on the unique traits of onions and the distinct varieties available.

The role of the chef has taken on additional responsibility, that of securing ingredients that will help position and sell their restaurant's place in the community. In addition to conventional foodservice produce distributors, they build tight relationships with local farms and foragers, those who find unique flavors and products for restaurateurs. These changes are filtering through the whole foodservice sector from high-end individual restaurants to chains and corporate and university foodservice operations.

American Traditions Spark Trends

Chandra Ram, editor of the foodservice chef magazine *Plate*, located in Chicago, IL, and its online edition, *Plate Online*, tracks culinary trends in the foodservice industry, providing all

levels of the industry creative ways to enhance menus. Ram identifies current trends in foodservice from around the country, "In the midst of menus featuring foods from across the globe, we also see increased interest in the traditional American foods some young chefs grew up with, but reinvented with a different point of view," she describes. "Think burgers at all levels, from casual dining to white tablecloth. You'll see them topped with onion rings made with batters using craft beers or unusual seasonings, crispy fried shallots or frizzled leeks. We recently tried a topping called Smoky Onion Remoulade — just the description made our mouths water. All of these ideas can be promoted and help make your establishment noteworthy. House-pickled vegetables including onions now dress up cocktails such as Bloody Marys and Gibsons, but can also be used in appetizers and cocktail recipes developed for specific locations and restaurants," she continues. "It enables restaurants to preserve summer and fall bounty for winter seasons."

Crossing the divide between producer and the foodservice industry, Keystone Fruit Marketing Inc., based in Greencastle PA, grows and ships a standard selection of hybrid onions, but puts emphasis on their sweet onions with year-round availability. The company has its own test kitchen run by Chef Dave Munson, director of Keystone Kitchen. He is charged with helping

foodservice kitchens get the most of the company's Certified Sweet onions. Munson comments, "A sweet onion is ideal for foodservice, but we find quite a few chefs don't know as much about them and may be reluctant to pay the premium on price. Operations can get locked into a menu and may not describe some of the ingredients that sell quality. The trends we see include the ongoing popularity of wraps, battered and fried onions and the great results of caramelizing sweet onions."

In foodservice research commissioned by the Greeley, CO-based National Onion Association (NOA) in 2010, Kim Reddin, director of PR and Industry Relations, reports, "Descriptions of caramelized onions can deliver an additional average of \$1.80 to the menu price."

Chefs Speak Out

"We're always looking for a broader selection of onion varieties, so we work with wholesalers, go direct to local farms and have a close relationship with a forager," comments Ben Pollinger, executive chef of Oceana, a New York City seafood restaurant. "We often find the products first and then build recipes around them," he describes. "We get texture from varieties such as red and sweet onions; they're good raw, but we also soak rings in ice water to draw out any remaining pungency. Ramps, wild leeks, are a favorite in spring. In general, onions



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are gaining status and it is mostly due to the broad array of varieties.”

“For the past two years, Black Angus Steakhouse has run a promotion tied in with NOA that features big steaks served on a sizzling skillet of caramelized sweet onions,” says Stacy Schulist, director of marketing for the 46-restaurant chain in Los Altos, CA. “The aroma of caramelized onions and grilled steak and the sizzling sound combine for a great presentation guests love. We also use plenty of sautéed sliced sweet onions as topper for sandwiches and sliders. We’re always careful to specify sweet onions in the menu descriptions,” she adds.

At the Sand Point Grill, a popular neighborhood restaurant in Seattle, WA, Kristina and Craig Bartleson are baker, head chef and owners respectively. Kristina asks, “How can a restaurant operate without onions? They are the first foundation of flavor and are used in some way in almost every savory dish on — or off — the menu. We track them throughout the year from yellow in winter, sweet starting in spring, plenty of red onions grilled for use on burgers and thin-sliced raw to add heat and texture to salads.”

Craig Bartleson continues, “Most of our onions come from a wholesaler, but we also have a good relationship with a local forager to help us get ramps and the early spring thinnings of sweet onions. These allow us to fine-tune flavors and offer plenty of variety. With careful descriptions, we’ve found we get little pushback from customers. Most who say they can’t or don’t want to eat onions really mean they want to avoid raw or pungent; they ask for topping on the side then gradually eat them all. A good number of our customers are in weekly or monthly so they have come to trust us to match their tastes. For those who truly can’t eat onions, we will always make them something individual and steer them away from items like stocks or sauces that include onions.”

Another onion advocate is Bradley Herron, chef de cuisine for Michael’s Genuine Food & Drink, in Miami, FL. The restaurant concept is modern American food and reflects the staff’s passion for hand-prepared food made with great ingredients that are mostly locally sourced. Chef Herron says, “We go through over 100 pounds a week of various onions. A new favorite is the Lila onion; it’s similar to a scallion with a deep red bulb and bright green tops.”

References to onions — grilled, wood-roasted, pickled — are sprinkled throughout the menus at Michael’s for dinner, lunch and brunch. One such dish is onions stuffed with lamb and apricots and wood oven-roasted. This presentation certainly moves onions closer to

the center of the plate.

“The message we hear from chefs is clear; they want the interesting varieties, communication and participation with local sources,” says Darryl Mosher, assistant professor of culinary arts at the Culinary Institute of American (CIA), in Hyde Park NY. “What they also need is consistency of product, which is a bigger task.”

The Challenge of Logistics

Supplying most onion varieties — yellow, red, white, sweet, pearl, boiling, shallots — to foodservice has traditionally been quite simple. Producers supply pallets of product to foodservice distributors who have taken on the task to deliver case-level or even smaller quantities to foodservice kitchens. It tends to be a specialized process involving individual trucks making small, as-needed deliveries with fast turns, few labels or tags.

Robert Schueller, director of public relations at Vernon, CA-based Melissa’s/World Variety Produce Inc., explains, “We do limited sales to foodservice, mostly to white tablecloth restaurants in Southern California and Las Vegas. In addition to the standard assortment, we also supply seasonal ramps, Maui sweet onions, Cipolline, all colors of pearl and boiling onions. We can arrange processing; many restaurants want peeled, but not further processed and no additives or preservatives. It makes emphasis on maintaining the cold chain critical and more difficult because of the frequent stops. We are finding the use of specialties is increasing because of the flavor impact and the ability to market distinct flavor.”

There are other approaches, too. Rick Antle, president and CEO of Tanimura & Antle Inc. in Salinas, CA, comments, “We have developed an exceptional proprietary mild red onion for our Artisan line. It’s ideal for foodservice with a flat, even shape and consistent sweet flavor. You get more slices and it’s great used raw. We sell it through wholesalers as a fresh harvest onion with good sugar and high water content. I don’t see us doing custom deliveries.”

A strong message from producers points to year-round availability of sweet onions. Wendy Brannen, executive director of the Vidalia, GA-based Vidalia Onion Committee, asserts, “We lay claim to the original sweet onion, produced here in Georgia from April to late August, and it has grown and grown. It’s our opinion, growth both at retail and foodservice is in part because of the stronger health message, causing vegetables to move to the center of the plate. Use of flavors such as onion can help control salt, and consumers are listening.”

Brian Kastick, president of Oso Sweet

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“The message we hear from chefs is clear; they want the interesting varieties, communication and participation with local sources. What they also need is consistency of product which is a bigger task.”

— Darryl Mosher, Culinary Institute of American

Onions, Charleston WV, states, “In retail, sweet onions now account for 30 percent of sales, so we know the opportunity in foodservice is huge. We draw from ideal soils and growing conditions in Chile, Texas, Georgia, California, Washington and Peru to be able to offer a consistently sweet, fresh market onion year-round. There is a premium for sweet onions that can double the price of commodity varieties, but we can fulfill foodservice needs. It’s our job to help educate them about the versatility of sweet onions.”

Oceana’s Chef Pollinger responds, “If we do our job well, sourcing the right onion for the right recipe and selling it well to customers, we can justify paying a premium, especially with local producers because we can get a better menu price.”

Matt Curry, president of Curry & Company,

in Brooks, OR, agrees and elaborates, “We have a full program for sweet onions and are seeing growth in our Hermiston Sweet Reds program. We believe there is big potential demand in foodservice. That industry is a big carrot to chase; it already moves tons of commodity onions, but there is always the chance that a big chain making a certain variety a knockout item will cause demand for it to go through the roof.”

Fresh onions such as sweets are more challenging. With higher sugars and more water content, they are more perishable than commodity onions and must be treated accordingly. But they do seem to be the “sweet spot” of excitement when it comes to onions.

It’s All About Flavor

In foodservice kitchens both grand and basic, onions rank right up there with salt and

pepper, ingredients so basic and yet so essential that it is easy to take them for granted. Fortunately for all of us, innovative chefs working to capture, understand and share the fundamental flavors and ultimate possibilities of onions present a unique taste experience, sometimes alone but more often used in combination, to enhance meals for diners.

Curry predicts, “I think one of the trends in 2012 affects both produce and foodservice. It is the importance of delivering on your promise of flavor, which has to be accomplished in an environment of quality and sustainability. Even McDonald’s has launched a campaign celebrating the suppliers who source ingredients.”

When you look closely, it seems as though the distribution of onions to foodservice is working quite well with each segment filling a distinct niche: wholesalers dominating dry onions and moving into fresh and fresh sweet onions; specialty distributors such as Melissa’s handling small quantity, but still mainstream varieties and lightly processed onions; and foragers finding ways to deliver the unique and scarce items that high-end chefs crave. The question is, as time goes on, where do new opportunities to produce, source and supply different levels of foodservice exist?

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Ontario Food Terminal: A Unique Story Of Success



A diverse population and far reach deep into the Canadian provinces make the Ontario Food Terminal an integral part of the produce equation.

BY NICOLE BRAYSHAW BOND

In the United States, many urban centers boast a wholesale produce market, but not so in Canada, where even world-class cities like Montreal lack a centralized market location. In Canada, the Ontario Food Terminal (OFT) is unique. Not only is it the singular wholesale produce distribution center of its kind in Canada, but it is also one of the largest in North America. From its 40-acre site just west of the downtown core of Toronto, Ontario, the OFT serves customers from Ontario, Quebec, Eastern Canada and even to many places in the United States.

When discussing the market at the OFT, one can't help imagining a "blurred border" between Canada and the United States, with

produce coming and going North and South freely and efficiently. And the action takes place at the OFT 24 hours a day, every day, year-round. If you ask the produce professionals at the Terminal, there are many facets to what makes the Terminal a unique and special place.

Diversity Lives Here

Julian Sarraïno, sales manager at Fresh Taste Produce Limited Canada, states, "The Terminal's location is best. We cater to everyone. This is the central hub." And in this case, "everyone" is no understatement. Half of Toronto's 2.5 million people were born outside Canada, making the city a multicultural model to the world.



Jim Gordon,
Ippolito Produce Ltd.



Vince Carpino,
Tomato King



Joe Fortunato, Andy Ientile and Vince Bruno,
Italian Produce



Danny Simone and Teddy Kurtz,
Stronach & Sons



Phil Modestino,
produce manager for Starsky Inc.



Jeff Hughes,
Gambles Ontario Produce Inc.



Sal Sarraino,
Fresh Taste Canada



Dorjee Namgyl,
Veg-Pak Produce



Rick Carnevale,
Veg-Pak Produce



Anthony Pitoscia,
Fresh Advancements



Lou Collins,
Stronach and Sons



Joey Carnevale, buyer for
Thorncrest IGA



Richard Rose,
Gambles Ontario Produce Inc.



Vic Carnevale,
Veg-Pak Produce

Over one-quarter of all immigrants to Canada call the Greater Toronto Area (GTA) home. Toronto speaks over 140 languages and dialects, and has a correspondingly international palate. At the Terminal, the demographics translate into a constant challenge to supply both novelty and a familiar taste of home. For Vic Carnevale, president of Veg-Pak Produce Ltd., that means “Asian and Indian produce are up 500 percent.”

“Persian cukes are popular,” adds his son Rick Carnevale, sales and procurement associate at Veg-Pak.

Ted Kurtz, director of Stronach and Sons Inc., agrees, “That is what makes the market interesting. It is always evolving and changing, just like Toronto itself.”

Reaching Far and Wide

As important as the GTA's population of over 6 million is to the Terminal, it is only the beginning. Richard Rose, vice president of Gambles Ontario Produce Inc., provides the numbers: “The Food Terminal is the only market that serves 35 million people. We focus our business here, but we serve a much larger area.” He points out that the Terminal provides produce all around the Golden Horseshoe, a densely populated and fast-growing urbanized area of Southern Ontario that encompasses the western end of Lake Ontario, anchored by the cities of Hamilton, Toronto and Oshawa.

Rick Carnevale reveals the enormous range of the Terminal's influence in the produce industry. “We go from Kapuskasing to Newfoundland to Windsor to Manitoba,” he details. Kapuskasing, a community in Northern Ontario, is 10 hours and 520 miles by road from Toronto. That's roughly the distance from New York City to Columbus, OH, but the trip may include a twist of drama provided by Canadian geography and climate conditions. Kapuskasing still receives an average nine inches of snow in April — down from 21 inches in January — and the record winter low is -53 degrees.

Rose of Gambles commends the truckers. “Sometimes drivers have to go overnight just to get to the remote regions,” he says.

Jeff Hughes, president of Gambles, is proud of the fact that “the market reaches and distributes to small town Ontario everyday.”

Fast In, Fast Out

Toronto is a major hub for transportation by road, rail and air, with rapid-access links across Canada and into the United States. The City of Toronto website cites data indicating that Toronto is also one of the most cost-effective locations for road freight in North American metropolitan centers. Joe DaSilva, vice president of terminal operations for Ippolito Produce Ltd., notes, “We stay in Toronto for the great transit system.”

Historically, most of the Terminal's produce was transported by train. In fact, when the Terminal moved from its original location in Toronto's St. Lawrence Market in 1954, the current site was chosen to facilitate rail access. Now, most of the produce arrives and leaves by truck; over 1 million trucks move through the facility each year. For shipments arriving by plane, the Terminal is within close reach of Pearson International Airport.

There is no doubt that the OFT is a busy place. According to Hughes, “At the market, you work by the seat of your pants, buying and selling all the time.”

Keeping Colleagues Close

At the Ontario Food Terminal, relationships are key. In an increasingly cut-throat global economic climate, the Terminal market professionals continue to thrive on the old values of building, maintaining and honoring the value of solid relationships with customers, as well as amongst themselves. Even the competition is seen as a benefit, not a threat. Vince Bruno, vice president of Italian Produce Co. Ltd., offers an example. “We have long lasting relationships. I've got all the main berry distributors together, so we can help each other when we are short.”

There are many ways in which good relationships are fostered such as The Toronto Wholesale Produce Association (TWPA), which was established in 1933 as a central



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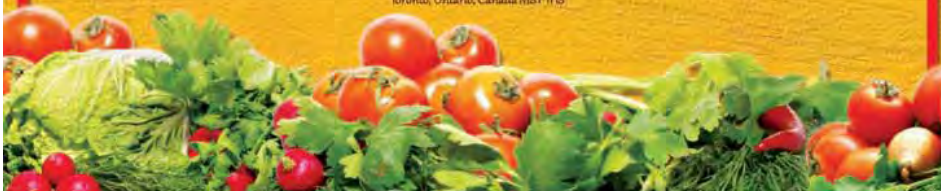
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billing and credit operation to manage the financial relationships between produce importers, wholesalers, and retailers in Southern Ontario. TWPA vice-president Vic Carnevale says, "This was a great year for us. We had a large expansion — 40,000 square feet — and we're building more. The association has everything to do with it. We are a strong group, and doing well."

Danny Simone, in procurement at Stronach and Sons, agrees, "Because we are here together, we make each other stronger."

The Ontario Produce Marketing Association (OMPA) has many fans in the Terminal. Chaired by Julian Sarraino of Fresh Taste Produce — the youngest chairman in its history — the OMPA is a non-profit organization dedicated to promoting the consumption of fresh fruit and vegetables within Ontario, with a special focus on education for children. Members come from all areas of the produce industry, including brokers, distributors, retailers, importers and wholesalers.



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Expertise from the Ground Up

Educating the buyer is considered by many at the Terminal as a major part of their job. To educate, one must have not only experience and expertise, but also passion, and the older generation has set a high standard.

Produce has always been a family business, and the heritage left by past produce men is very much alive, as the current generation venerates their innovative business acumen. Christian Sarraino, sales manager at Fresh Taste Produce,

says, "Our grandfather had a vision. He was the second generation in the business, but he was the pioneer in importing from Canada and the U.S., and our father perfected it."

The foundation of produce expertise is often the shop floor. Bruno of Italian Produce recalls, "I started as a truck loader. We are all just workers. I came from working the dock....At the market we all have street smarts."

Rick Carnevale of Veg-Pak concurs, noting, "There are so many smart people

down here that know everything. Second and third generations work here. I know everything about the product, because it is a life education. I have done it all my life."

Value Added For Customers

"Family" is a word used over and over at the Terminal to describe co-workers and staff, but is often extended to customers as well. Relationships with customers are built over years, and are constantly evolving to meet particular needs. As Barry Green, president of Richard E. Ryan and Associates Ltd., puts it, "It's a relationship business. We don't try to put a square peg in a round hole. We look at the customer."

Stronach and Sons' Kurtz agrees, adding, "We know our staff like family, and that extends to our long-term customers as well. At the market, customers tend to be very long-term. This is what makes the Market work."

Simone of Stronach and Sons points out, "Montreal has no centralized market. The fact that Toronto does, and it works so efficiently, is a huge bonus to everyone."

In addition to the expertise offered by the Terminal professionals, variety and convenience are major value-added points for the customers. DaSilva of Ippolito contends, "I look at the market like a mall. With 21 stores, we offer customers good variety. Want lettuce? There are 21 places for it."

The Future

Rose of Gamble emphasizes the importance of keeping up with the changes of the marketplace and tailoring to customer demand: "We are redefining what we are doing all the time, constantly looking at the process of moving produce and branding different products. We are working more as a group and doing what customers need."

Change is also part of the nature of produce itself, which means that being on the spot to evaluate a product is vital for Green of Ryan and Associates. "Produce is a living breathing thing, an always-changing product," he says. "We are a destination broker, trying to control the variables as much as we can — and that works by being here."

Finally, there is the ethic of sheer hard work that never takes a break. Gambles' Hughes, sums it up: "The market is the best of both worlds — choice and distribution. That's a really good thing, but you have to earn it, every day."

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Despite its two Mississauga locations, Starsky has its feet firmly planted in Poland.

BY NICOLE BRAYSHAW BOND

One of the wonderful things about Toronto is how multicultural it is. Not only can you go into a business that has the products or food from any part of the world you fancy, but also, on rare occasions, you really have the feeling that you traveled there, too. This is the case upon entering Starsky.

There are two Starsky stores, both in Mississauga. Starsky is truly a unique shopping experience. It has the genuine ethnic flavor of a small food store catering to an immigrant population combined with the size, selection and efficiency of a large supermarket. For those in the mood for all things Polish, Starsky has the mix just right.

Upon entering the store, customers are greeted by the high airy ceilings, the gleaming, large produce section, and the welcoming smile of produce manager, Phil Modestino. While the store has a wide assortment of fruits and vegetables, there is a noticeable emphasis on those used in Eastern European cooking. There are not only the requisite Polish products such as cabbage and celery root, but staff provides the know-how as well. As Modestino states, "We average 10 produce guys on the floor at all times, and we hire Polish guys who know how to cook the items into the popular dishes of their homeland. We feel it is part of our job to give advice

and expertise to any customer who needs it."

Modestino is very proud of the selection, quality, and attractiveness of the produce displayed, which is all from the Ontario Food Terminal. "I can tell by the customer if I am doing a good job." Some key indications refer to consumer confidence. "If they feel the need to spend five minutes to pick out a few lemons, it is not a good sign." Modestino keeps a sharp eye on his customers' buying habits in order to guide his business. "I really learn from people watching, and from that, I am constantly upgrading our produce section."

With the freshness, quality and diversity available at The Ontario Food Terminal and the hard work of Modestino, Starsky's produce section is the place to shop, whether you are cooking an Eastern European favorite that night or not. If Modestino has his way, you can never be sure what is on that night's menu. "I like people to shop by their eyes, not by their list. If it looks so good it jumps out at you, then buy it. That is the best way to shop for food," he says.

This philosophy works for the rest of this lively store too, which is famous for its abundant cheese selection. Starsky's reputation as the destination for sausage is confirmed by a satisfied customer who said, "The sausage variety here makes a visit worth the trip alone, no matter what part of town you are from."

The in-house bakery also makes this store special. Eastern



Phil Modestino and Leonard Modestino,
Starsky Fine Foods

Europe is known for its fabulous breads and baked goods, and Starsky maintains this tradition. The bakery is always buzzing and the fresh-from-the-oven fragrance wafts through the air. When there, be sure to try the cream-filled donuts. Made fresh all day, its reputation goes well beyond Mississauga's city limits.

With all of this who can leave Starsky without planning a feast? But in case that plan doesn't include cooking, the store will happily do the work for you. All kinds of sandwiches and deli items are available singly or in platters. Prepared meats are mixed with pickles and vegetables and fruits that are party-ready with dips.

For those who can't leave Polish brand-name products behind, this store is as good as a visit home. Everything imaginable is imported in for the homesick. From the enormous selection of European candy and chocolate — full aisles dedicated to both — to every kind of beauty and personal care product, if it's from the old country, it's in the store.

Dedication to old-world values extends to Starsky's involvement in charitable work, supporting an orphanage in Poland. The company donates money to sponsor special occasions for the children, as well as to satisfy their basic everyday needs of hot food, clothes, toys etc. Any donation made by the public to this cause is matched by Starsky

Starsky is expanding its concept to Hamilton, with a new store opening there this Spring.

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Value-Added Potatoes: The Next Great Convenience?

As time-starved consumers look for healthy and convenient answers, the value-added potato category is ready to take off. **BY BOB JOHNSON**



PHOTO COURTESY OF ALSUM PRODUCE

The jury has just begun to deliberate on whether the demand for convenience that made bagged salads and fresh-cut fruit overnight sensations will soon lead to a similar rise in value-added potato products. The first of the second-generation value-added products are already popping up at retail — steamable packs of interesting small potato varieties that have already been tripled-washed and are ready to cook in a microwave or oven in a fraction of the time. “This reminds me of the days when you went from head lettuce to bag lettuce,” recalls Rick Kantner, director of sales and marketing at Alsum Farms and Produce Inc., based in Friesland, WI.

Kantner is not the only potato supplier who is enthusiastic about the possibility that the best is yet to come for potato products that combine interesting variety with unprecedented convenience. “Value-added potatoes continue to be the fastest growing part of the potato business,” reports Jim Richter, senior vice president for sales and marketing at Rexburg, ID-based Wilcox Fresh. Customers are looking for time-

saving devices. It began in the 90s with value-added salads, then came fresh-cut fruit, and now it’s potatoes.”

Value-added products are a very small but fairly fast growing part of the category, and we probably will not know how many consumers are willing to pay a little more for the convenience they offer until the recession ends. “They are maybe a half-percent of the entire potato category,” Richter estimates. “You’re still going to see some growth. The only thing that’s hurt the category is the recession. A lot of these products came out at the beginning of the recession. They are priced at \$2.99 or \$3.99, and people are being careful with their money.”

While we do not yet know how many consumers will pay for steamable packets of smaller potatoes, we do know that these products are already growing faster than potatoes as a whole. According to Seth Pemsler, vice president for retail and international at the Eagle-based Idaho Potato Commission (IPC), “Value-added potatoes are higher margin for both the retailer and the packer. The steam technology is leading the growth in the

United States.”

We are also beginning to learn a little about who is likely to buy these products, how to reach them with merchandise plans and which potato varieties are best suited for value-added treatment. The early success of some value-added potato products is linked to the recent success of potato varieties that are more colorful, smaller and thinner-skinned than most familiar potatoes. “Specialty packed potato items have been active over the past decade with most of the major shippers either introducing several items or revamping their current ones with updated packaging or a complete pack change,” says Schwartz. “These items collectively have helped the industry re-invent itself and add some excitement by bringing many new varieties and preparation ideas.”

A Gourmet Touch

The value-added potato category is led by packages of potatoes that have been upscaled. “In the past 18 months, ready to cook, conventional or microwave, have become more important,” acknowledges Alsum’s



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Cantor. “We have a ‘Fast & Fresh’ red and gold microwavable product that has been triple-washed and is 1-inch or less in diameter. You can microwave it in five minutes. They come in a 12-oz. package for one or two servings,” he details. The red and gold potato varieties were chosen because they are easily washable. The company also has Redi Growers in tin foil, Redi Bakers for the microwave and Redi Sweet potatoes, all of which have been triple-washed.

Other producers have also emphasized the steamable bag as they roll out new value-added potato products. “We offer a 1-lb. bag of colored potatoes that are triple-washed,” says Bob Meek, CEO of Idaho Falls, ID-based Wada Farms Marketing Group LLC. “They are sanitized, food safe and ready to cook. We also have foil wraps for special occasions like the Fourth of July. You get three or four foil-wrapped potatoes.”

Even shippers who do not have steamable products think this category has marketing potential. “We’re not doing any of the steamer potatoes or wrapped individual potatoes, but the steamers could become a fairly big deal. The small pack with a pound or pound-and-a-half microwavables could also become popular,” says Dave Moquist, owner and sales manager at O.C. Schulz & Sons Inc., located in Crystal, ND.

The potato category as a whole is shifting, as new varieties come to be more prominent. “If you look at the growth in potatoes over the past five years, there are a lot more varieties

in the store than there used to be,” IPC’s Pemsler points out.

The emphasis on new and interesting varieties is closely connected to the new steamable products, as producers make an effort to show consumers they can have both convenience and taste. “We have a product called Potato Jazz that is a 1-lb. steam tray with a choice of three kinds

of potatoes — baby Russets, fingerlings and red and yellow medley,” says Richter of Wilcox Fresh. “It steams in five minutes in the microwave and can be served in the tray. Just peel back the film and add the seasoning packet.” The Potato Jazz trays, called Zingers in Canada, can be used as a color break within the potato section as they do not require refrigeration.

“I think they are a great idea, but they have to be merchandised in the right place. They are in the potato section, but they should be in the value-added section like the salads.”

— Joe Pagano, Inserra Shop-Rite Supermarkets Inc.

Improved Packaging

Much of the credit for the increase in value-added potatoes, and the ongoing research and development, has to do with improved packaging. Ralph Schwartz, director of category management and value-added marketing at Idaho Falls, ID-based Potandon Produce LLC, shares, “Our most recent packaging innovation is used with our Green Giant Steamable line. The film gives the product incredible shelf-life. We can offer customers a longer window on our date coding.”

The experience on the other side of the Atlantic suggests there may be potential for a far broader range of value-added potato products than anyone has introduced in the United States. Rick Ellithorpe, owner of

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that are becoming more important in the potato category. “We have had continued growth with the 24-oz. Petite Potatoes and 24-oz. fingerlings,” reveals Ed Romanelli, vice president for sales and marketing at Agrow Fresh Produce Inc., headquartered in Chicago, IL.

Other producers are also finding that their relatively new potato products are starting to gain momentum. Romanelli adds, “The last thing we introduced was the Simply Season & Steam Petite Red potato. We put a steam bag inside our Simply Season & Steam Petite Red potatoes. We also put the same steam bag into Farmers Market Private label Petite Red — Yukon Gold & White Potatoes.”

Many of the recently introduced products are mini varieties, because they cook quicker and they add interest to the category. Potandon’s Schwartz notes, “Mini bagged potatoes, such as our Klondike Gourmet potatoes, have been growing at a steady pace as more retailers see this segment as a must-have on their retail shelves. Steamable potatoes are relatively new to the industry. Some of them have sauce packs and are sold under refrigeration, while others are seasoning-ready when cooked in a steamable bag. Collectively, they are starting to make a small impact into the overall category sales. This is where we have seen some growth.”

Potandon value-added products include Klondike Express, a shelf-stable steamable potato, Green Giant Steamers with sauce refrigerated in four varieties, and Klondike Gourmet minis, baby potatoes in six different varieties.

Possible Holding Pattern

We may be in a holding pattern on value-added potatoes until there is a break from the recession. According to Meek of Wada Farms, “The consumer is interested in convenience, but everything in value-added has been slowed by the economy. Once we get over the top of the mountain it should start to roll. The category will become more important as we work with consumers who don’t have strong culinary skills.”

We also may be early in the learning curve about how and where to merchandise these products. “I think they are a great idea, but they have to be merchandised in the right place,” asserts Joe Pagano, produce director for the 22 locations of Inserra Shop-Rite Supermarkets Inc., based in Mahwah, NJ. “They are in the potato section, but they should be in the value-added section like the salads.” The location is largely a question of



putting these products where consumers might look for them.

So far, only a relative handful of potato handlers has gotten involved in the value-added category. “Campbell Farms is the only shipper from our region that does anything out of the ordinary as far as value-added,” shares Ted Kreis, marketing and communications director of the Northern Plains Potato Growers Association, based in East Grand Forks, MN.

Many producers choose to remain focused on producing high quality bulk potatoes. “We don’t get into that category,” admits Kevin Searle, general manager and chief marketing officer at Shelley-based GPOD of Idaho. “Our No. 1 priority is to supply the superior raw product to wholesalers.”

Some producers are downright skeptical of the value in value-added potatoes, partly as a result of first generation products that were little more than single wrapped potatoes. “It’s a rip-off to the customer,” asserts Paul Dolan, general manager of Associated Potato Growers Inc., headquartered in Grand Forks, ND. “They can take a bag, poke a hole in it, and it’s the same thing as an individually wrapped potato.”

Experience has already shown that it takes patience and a willingness to endure a learning curve to make a go of value-added potatoes. “We had a peeled product from our Colorado gourmet processing plant, but it didn’t go well,” acknowledges Aspen Produce’s Ellithorpe. “Value-added is not something they do a lot of in Colorado.”

The Aspen value-added product went through a foodservice intermediary who did not handle it particularly well. “We might have had a better chance on the East Coast, or

with retail chains, or if it were blanched,” Ellithorpe reasons.

Reser’s had a specialty potato line, called Potato Express, that is being discontinued because the company does not want to divert attention and resources away from its deli department mainstays. “Plus, the volume has declined,” says John McCarthy, category manager at Reser’s Fine Foods, a single-unit chain in Beaverton, OR.

It takes a commitment at the retail level to make a go of these new products. “It takes patience, too,” adds Agrow’s Romanelli. “It takes some time to have an item that will continually generate sales. We have been pushing the light-blocking potato bag for quite some time, and it has shown excellent results with the retailers that we have on the program. The shrink factor due to greening has dropped dramatically. Usually, there is interest from the consumer when these items are either in ads as new items or displayed in the department as a new item.”

The key step is getting enough consumers to try the value-added potatoes to decide if the convenience is worth the cost. “The biggest challenge we face in introducing new items is getting initial consumer trial. With value-added, we also have a price hurdle to climb on most items,” Potandon’s Schwartz says.

Potatoes are such a large category, however, that there is room on the shelves to experiment, while still offering all of the reliable products. “Value-added potatoes are a great way for retailers to increase the ring, as they tend to be additive,” say the IPC’s Pemsler. “The potato category has the luxury of having enough space to try something out.”

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Boost Carrot Consumption

Leading carrot companies offer insights into the growing category. **COMPILED BY JENNIFER LESLIE KRAMER**



The carrot category continues to grow, especially with premium items such as petites, chips and matchsticks.

While carrots are certainly a mainstay and continue to contribute healthy rings to the department year-round, carrot growers, wholesalers and marketers are getting more creative with their carrot presentations, offering a number of new and exciting products hitting retail shelves. To get an insider's look into the category, *PRODUCE BUSINESS* interviewed some of the top names in the game, including Andrew Bianchi, sales manager at Kern Ridge Growers LLC, headquartered in Arvin, CA; Bob Borda, vice president of marketing for Grimmway Farms, in Bakersfield, CA; Doug McFarland, marketing director for Colorful Harvest LLC, based in Salinas, CA; and Bryan Reese, chief marketing officer at Bolthouse Farms Inc., in Bakersfield, CA.

How is the carrot category performing overall?

Andrew Bianchi: Carrots are selling very well. During the cooler months, volume tends to increase.

Bob Borda: The overall carrot category revenue continues to trend flat versus the previous year's sales, while total consumption has decreased by 2.5 percent. The premium and organic carrot categories are delivering positive results year over year at 9.3 percent dollar and 7.2 percent consumption growth for premium carrots, and 4.7 percent dollar and 3 percent tonnage growth for organic carrots. The premium and organic carrot categories deliver greater margin dollars to the retailers' bottom line.

Doug McFarland: From Colorful Harvest's perspective, carrots are performing very nicely. We have grown our plantings this year in all regions.

Bryan Reese: Overall the carrot category is stable, down ½ a percent in dollars over the past 52 weeks. Within the category, there is quite a bit of movement. We are seeing growth in organics and premium cut items as consumers are trading up from conventional baby and whole (cello) carrots.

Have there been new introductions to expand the category?

Andrew Bianchi: We have currently added a shred line and are packing a retail 12 10-oz. pack and we will be adding a 5-lb pack for foodservice.

Bob Borda: Our innovation team is working on a few new concepts to introduce excitement back into the category. Now that the baby carrot category has reached its maturity, it is time to focus on the next best carrot concept that will drive consumption.

Doug McFarland: We are always looking for innovative packaging and product design to add value for our customers. Our latest addition is the Colorful Harvest party tray, which combines our Rainbow Crunch Carrots with our orange, purple and green cauliflower florets, along with a sweet onion honey dijon dipping sauce. The crystal clear lidded tray loaded with our colorful veggies is a treat for the eyes and the palate. We are always looking for new ways to cut Colorful Harvest Rainbow Crunch Carrots. The colorful variety of carrot colors that we offer make traditional cuts like shreds and chips even more fun.

Bryan Reese: Most of the innovation over the past couple of years has come from marketing. New packaging and promotional programs



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“Retailers should continue to focus on highlighting the baby carrot category, while placing a greater emphasis on the growing premium carrot category (petites, chips, matchsticks, etc.) and the organic carrot category.”

— Bob Borda, Grimmway Farms

have been the focus as we have worked to bring CPG Best Practices to the produce department.

What do you recommend as the best ratio of bulk carrots vs. packaged?

Andrew Bianchi: I’m not sure about this question, but the majority of our carrots are packaged for retail.

Bob Borda: Carrots offer a wide variety of occasion-based food solutions. Retailers should continue to focus on highlighting the baby carrot category, while placing a greater emphasis on the growing premium carrot category (petites, chips, matchsticks, etc.) and

the organic carrot category. Customer demographics play a major role in deciding the mix of carrot offerings, but a typical best-in-class carrot revenue mix looks like this: 50 percent baby carrots, 18 percent fresh carrots, 20 percent organic carrots, and 12 percent premium carrots.

Doug McFarland: Our bulk Rainbow Crunch Carrot packs are designed especially for foodservice, while our cello 1-lb. mini and 2-lb. whole Rainbow Crunch Carrots are designed for retail grocers. We listen to our customer’s needs and do our best to plan our planting and harvesting to accommodate that. Only Mother Nature has the final word.



PHOTOS COURTESY OF BOLTHOUSE FARMS INC.

Bryan Reese: Bulk carrots are a small percentage of overall sales (less than 5 percent), and the space given to them should reflect that. More important than the bulk carrots ratio is the space given to premium cut items and organics. It is critical that all premium cut and organic carrot items are uniformly available in order to meet all carrot consumption occasions. At Bolthouse Farms, we’ve worked hard to develop the ability to provide custom analytics and marketing support to our customers to help them maximize their sales in the category.

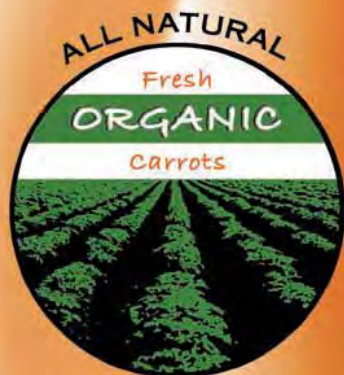
Tell us about your latest marketing initiatives at retail.

Andrew Bianchi: We’ve increased the category by adding shredded carrots and encouraging customers not currently selling it to try it, also by offering promotional pricing throughout the year, especially during the holidays.

Bob Borda: Grimmway Farms is actively involved with analyzing our consumers’ shopping insights to develop a comprehensive understanding of their shopping habits. Our goal is to develop and support an effective promotional campaign from these insights, highlighting not only the health benefits of carrots, but also the versatility of carrots. Carrots fit all occasions from the convenience snack items to meal solution side dishes.

Doug McFarland: We will soon be intro-

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“We have launched a Carrot Category Acceleration Program that clearly defines the five main drivers of the category and the specific actions retailers can take to ensure they are meeting their customers’ needs and sustain growth in the category.”

— Bryan Reese, Bolthouse Farms Inc.



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ducing a new line of packaging with an updated look for our 1-lb. mini and 2-lb. whole Rainbow Crunch Carrots. In addition, look for some new Colorful Harvest Kid packs of carrots to be introduced in 2012 and continued growth into the foodservice world.

Bryan Reese: We are underway with many marketing initiatives. The programs include, among others, a tie-in with Universal Pictures on the DVD launch of *HOP*, new product and packaging launches and many custom marketing programs integrated into our customers’ proprietary initiatives. We have also launched a Carrot Category Acceleration Program that clearly defines the five main drivers of the category and the specific actions retailers can take to ensure they are meeting their customers’ needs and sustain growth in the carrot category.

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Packaged Fruits And Nuts: Snacks Of Many Flavors

Whether private label, branded or packaged in-store, packaged nuts provide consumers healthful, convenient snack in safe, secure packaging. **BY BOB JOHNSON**



PHOTO COURTESY OF AMPORT

Myriad varieties of nuts and dried fruit are packaged in clear rigid containers, which allow consumers a good visual of what's inside.

Dried fruits and nuts continue to enjoy strong growth as a convenient and healthful snack food alternative, and the effective display of a wide variety of products is likely to pay off at the cash register. "In the past 52 weeks, snack nuts have grown five percent," reports Marc Seguin, vice president of marketing in North America for Paramount Farms Inc., based in Los Angeles, CA. The big drivers have been almonds and Wonderful pistachios, which we launched three-and-a-half years ago."

This growth has been driven almost entirely by the packaged, as opposed to bulk, snack nuts. "We've seen a real shift toward packaged since we introduced Wonderful pistachios," notes Seguin. "Our business has more than doubled on the packaged side in the past three years. The package lets us have a brand relationship with the consumer."

A major reason for the sustained growth of dried fruits and nuts is the decision by most retailers to move them to the produce department, where recent sales are up double digits. According to Brendan Honan, director of private brand and Orchard Valley Harvest at Elgin, IL-based John B. Sanfilippo & Son, "Produce department nuts are up on a dollar basis 11 percent in the past year, which is twice

as much as center-of-the-store nuts. Only about 20 percent of that is in-shell nuts."

It is, in particular, packaged dried fruits and nuts in the produce department that give consumers confidence that the products are both healthy and safe. "Consumers prefer the packaged versus the bulk," adds Honan. "The bulk can be perceived as unsanitary. Produce department nuts are perceived as healthier and fresher than nuts in the rest of the store. Part of that is the products, and part of it is the halo effect from being in the produce department," he explains.

The Snack Of Many Flavors

As the dried fruit and nut category has grown in volume, many producers have taken the opportunity to introduce new products designed to be exciting and flavorful, as well as nutritious.

"A full line of packaged healthy dried fruit and nut snacks is the best way to present this category in produce," says Andrew Stillman, president of Amport, in Minneapolis, MN. "We now have a full line of 80 items in a rigid clear plastic container. It looks like it was packed in the store. The rack free-stands to create its own section in the department." Thanks to its emphasis on varied dried fruit and nut products, Amport experienced a 35 percent growth last year. The firm has recently expanded its line

by adding products with more snack appeal, like yogurt- or chocolate-covered cherries and a new trail mix with wasabi, dehydrated peas, nuts and dried fruit.

Other dried fruit and nut producers are responding to consumer desire for more varied choices in snacks. "Setton has just launched Pistachio Chewy Bites," reveals Mia Cohen, chief operating officer of Setton Pistachio, based in Commack, NY. "With over 50 percent pistachios, as well as cranberries, agave nectar and a touch of sea salt, they are a nutritious and guilt-free snack. They are individually wrapped, making them an ideal on-the-go snack, and marketed in a stand-up, gusseted zip pouch."

Because nuts are riding the wave of health-consciousness, the healthier products are providing most of the new options. "Our focus is on new nutritious trail mixes," says Nick Hartounian, president of Mixed Nuts Inc., headquartered in Pacoima, CA. These new mixes include the nutrient power of super foods and use fewer additives than previous products. "All of our trail mixes have less sodium and more antioxidants from the super fruits," he adds. "For example, our new mix is Antioxidant Berries and Nut Blend."

In some cases, a new product comes from adding less, and letting the dried fruit or nut stand-alone. Teresa Keenan, marketing manager

at Keenan Farms, in Avenal, CA, notes, “We recently added unsalted pistachios to our line. As consumers become more and more health-conscious we are finding that natural pistachios are the preferred flavor, so we are not adding any additional flavors to our natural pistachios.”

But if health appeal is driving sales, these snacks still have to compete on taste. “We usually include our Heart Health icon on the package, and we also include the FDA’s heart health approval,” says Paramount’s Seguin. But a healthy snack can only go as far as taste will carry it. “We still have to compete with unhealthy snacks in taste,” he adds.

Almonds and pistachios, with or without dried fruit, have led growth in the category, but peanuts continue to be the leader. “The growth in almonds, pistachios and dried fruit has not

come at the expense of peanuts,” says Marianne Copelan, executive director of the Nashville, NC-based Virginia-Carolina Peanut Promotions. “In fact, there is an increase in shelled peanuts.” Peanut acreage in South Carolina has increased 20 to 25 percent in recent years, according to Copelan.

“Peanuts are still clearly the preferred nut in the United States,” agrees Tom Nolan, vice president for sales and marketing at Hampton Farms, in Severn, NC. “Last year, over 50 percent of all nuts sold were peanuts by the pound.”

Peanut shippers are also responding to the demand for varied flavor profiles in snacks. Hampton Farms was one of the first to premiere a flavored in-shell peanut, Hot Nuts Cajun Creole, and more recently, the first Hickory Smoked flavor.

Price May Not Be Paramount

A well-placed effective display is probably more important than price in driving packaged dried fruit and nut sales in the produce department. “Attracting attention is important in securing a sell for pistachios,” says Keenan of Keenan Farms. “We offer year-round and seasonal pre-packed displays as well as dump bins. All of our displays are centered on a healthy message, especially heart health. Our newest display features four mini pre-packed display shippers that can be positioned by the retailer anywhere in the store. This gives the consumer four chances to find Keenan Farms pistachios,” she notes.

A well-placed gusseted standup display is, in most cases, the most effective way to move

packaged nuts. “Gusseted standup bags increase visibility, allow good shelf presence and assist in sales by allowing the consumers to see the pistachios inside,” adds Keenan. “There is an increase demand from retailers for this type of packaging.” Keenan Farms offers both gusseted and the traditional lay down recloseable bags.

Retailers seem to be responding to the news that prominent displays are effective in this category. “We use a Euro table with adjustable shelves for the dried fruit,” says Michael Purvis, director of merchandising at J.H. Harvey’s, a 72-store chain, headquartered in Nashville, GA.

“It seems like every year the display moves

price reduction does not need to be deep; the key aspect is the display.”

Whose Label Is Best?

A handful of prominent retailers are marketing most or all of their dried fruit and nut products under their house brand. “Trader Joe’s sells pretty much everything under its own brand name, and Costco has both a Kirkland brand and the Wonderful pistachio brand,” Paramount’s Seguin says.

Wal-Mart is also selling bagged dried fruit and nut products under its Nature’s Harvest house brand. But unless the house brand has earned a reputation, it may be a disincentive for some consumers in the snack category. “Consumers are choosing brand nuts, as opposed to private label, even more in the produce department than in the rest of the store,” Honan of Sanfilippo & Son says.

Other shippers find it is sometimes a mistake to rely entirely on private label. “We do plenty of private label production here and we’re happy to help our retail partners implement that strategy,” notes Nolan of Hampton Farms. “However, we’ve found that a 100 percent private label strategy does not maximize sales. One study showed that 20 percent of respondents say they never buy private label snacks.

One option is to go with both branded and private label products. “A branded strategy allows for the most resources to be applied to store promotions and marketing, maximizing sales,” adds Nolan. “However, if a retailer does want private label, the way to go is a hybrid. Maybe have 1-lb. bags of Hampton Farms brand, including flavored items. Sell them for \$1.99-a-pound, and then have one or two SKUs of the private label, maybe a 2-lb. size selling for \$1.79-a-pound. This reinforces the value of the private label, which is why consumers say they’re buying it.”

Other dried fruit and nut shippers are also trying to help retailers take advantage of branded, private label or both.

Whatever your strategy for merchandising dried fruits and nuts, the shippers will work with you. “Setton is active in the private label market for pistachios and other trail mix programs, and we believe that supporting the customer’s goals for various packaging programs is a win-win strategy,” Cohen says.

“Produce department nuts are up on a dollar basis 11 percent in the past year, which is twice as much as center-of-the-store nuts. Only about 20 percent of that is in-shell nuts.”

— Brendan Honan, John B. Sanfilippo & Son

closer and closer to the forefront,” says Stillman’s Ampert. “It’s still one of the hottest items in produce, and one of the highest profit margins.” Ampert has developed displays of rigid plastic packaged fruit and nut snacks that create an entire category right in the middle of the produce department.

While dried fruit and nuts are always in season, retailers find there is a definite season for peak demand. “When the weather gets warm people don’t buy dried fruits once fresh fruit is available,” says Dominick Doria, produce manager at the Long Island, NY, location of Grace’s Marketplace, a two-unit chain based in New York City, NY.

Packaged nuts also tend to be more popular in some areas during the winter months. “During the Holiday season, your nuts are going to do better,” says Purvis from Harvey’s. “Walnuts, pecans, pistachios — they all do better during the Holidays.”

If the display is well done, and well placed, price is probably not the major factor driving dried fruit and nut sales. “With high graphics and good in-store displays, we have found that pricing isn’t as sensitive as one might think,” Keenan says.

As the lowest priced nut, peanuts may be the one nut product that can be effectively promoted on price. “Retailers can feel confident that even making their 45 to 50 percent margins, consumers will continue to buy peanuts, which remain the lowest priced nut in the category,” says Nolan. “Then a solid promotion, consisting of large displays will have consumers making impulse purchases. The

REPOSITIONING FOOD LION'S STRATEGY



Repositioning is such a nice, soft, politically correct word conveying little to the recipient about business activity. On the other hand, creative destruction understood by most economic and business professionals has become a buzzword for both good and bad discussed in the current presidential campaigns, but is typified by companies such as IBM's one-time dropping of its PC division with the

loss of thousands of jobs, then redirecting emphasis to become a more successful dynamic organization.

Repositioning is the word Food Lion used in announcing the closing of 126 stores, firing nearly 5,000 employees, giving up approximately \$640 million, or five percent of sales volume. Apply the math, and these stores' average sales volume only approaches \$100,000 per week, in contrast to the company's \$200,000 average. Not exactly rocket science for reaching the decision when most major competitors have substantially greater volume than even the remaining Food Lions.

But this is just a paper analysis of approximate numbers. When one looks at individual store closures in the Savannah, GA, area one has to wonder about the managerial analysis and decisions, which initially got the company to this stage with store openings occurring in dramatically different socio-economic communities.

Compare the company's existing image in respective communities to its competition. Since my 1998 arrival in Savannah, the Food Lion image has been one focusing on lower-middle class consumers with little emphasis besides low to moderate prices coupled with inferior presentation.

Is it any wonder several years ago when they decided to build what would become a thoughtfully designed and operated store across from the main gated entrance to a large upper middle class community that the residents were disappointed a Publix was not the occupant? Instead, they continued shopping at the much larger, several years older Kroger about two miles away, reflecting the long held image in the residents' minds.

On the other end of the economic scale, less than a year ago, Food Lion opened a store serving primarily residents of public housing developments, plus reasonable percentages of senior citizens and nearby college students. Estimated to be in the 25,000 square-foot class, it nevertheless provided for the community's basic needs.

My first thoughts were this was going to be a welcome addition. However, it appeared store opening promotional effort was minimal and members of store management told me initial sales were well below

budget. Nevertheless, the store had the potential to do well, but people in the community continued shopping at a larger chain supermarket with lower retails a mile away although more difficult to reach by aged and disabled, needing public transportation.

Several years after Delhaize purchased the Food Town stores, the name was changed to Food Lion in 1983 and the company embarked on a dynamic expansion program only to be followed by substantial geographic contraction during the latter half of the nineties. It was in 2003 a program of Market Revivals began one area at a time followed by the introduction of the Bloom banner in 2004, focused on convenience shopping and improved perishable presentation. Still attempting to find focus, the first Bottom Dollar store opened in 2005. Now the remaining Bloom stores will be converted to Food Lions, as will the Bottom Dollar's south of Washington, D.C., although hundreds of Bottom Dollars are proposed for selected markets in the next five years.

In 2010, a company study not surprisingly found Food Lion still losing low price reputation and produce poorly regarded. Considerable produce department adjustments have helped reduce that competitive advantage, but overall pricing and promotional programs remain a problem.

Now, new repositioning in Raleigh and Chattanooga is showing gains. History shows retailers with relatively low volume consistently repositioning without a comprehensive long-

term strategy continue struggling to achieve a positive image in consumers' minds. You can name several from the past and others currently struggling for identity.

The overall Delhaize America repositioning effort also includes ongoing centralizing of major operations from procurement to accounting to Human Relations to reduce costs, but comes at the expense of associate adjustment impacting operations.

Repositioning, including the closing of underperforming stores, is a decision every retailer faces, but closing recently opened stores located outside their traditional socio-economic market segments brings into question the adequacy of prior analysis.

Going upscale from mediocrity provides a severe challenge to changing the consumer mindset about a company's image. Going into low-income inner city areas requires both identifying and involvement with a community initially not part of a retailer's previous overall game plan.

The Savannah experience brings into question whether corporate leadership from distant Belgium truly understands the consequences of American diversity? Judge 30 years experience. Following the complete withdrawal from Florida, will Food Lion future repositioning in Georgia become creative destruction followed by Bottom Dollars?

pb

Going upscale from mediocrity provides a severe challenge to changing the consumer mindset about a company's image.

By Dave Diver

Dave Diver is the former vice president of produce at Hannaford, and a regular columnist for **PRODUCE BUSINESS**.

A FOCUS ON FLAVOR AND AN ALIGNED SUPPLY CHAIN (PART II OF II)

Interview conducted by Mira Slott, excerpted from the *Perishable Pundit*, October 27, 2011

In Part I of her interview, *Pundit* Investigator and Special Projects Editor Mira Slott interviewed Jim Beagle, CEO of The Grapery, in Bakersfield, CA, with whom she discussed the ground-breaking deal to market The Grapery's Cotton Candy grapes at Sainsbury stores in UK. Slott also reached "across the pond" to speak with the British side of the equation: Bruce McGlashan, technical manager of Mack Multiples, in Kent, England.

Q: Could you tell us more about your collaborative effort to bring Cotton Candy grapes to the UK? How does this program fit within your company strategy?

A: In contrast to the United States, flavor is already a major driver in the UK, so we're trying to develop that by finding new varieties of produce... and in this case grapes. All the great breeders, or most of them, are in the United States, so we started our relationships there, looking to what's new. We've known about The Grapery's work to innovate on flavor for quite some time, but within the past five or six years, the whole thing set off.

The Grapery is doing the growing of the product, so it's all through Jack Pandol and Jim Beagle's company. Going forward, we're looking at working together on more varieties, developing select UK licenses on their behalf and to secure what we need for the UK market.

Q: Could you talk more about the arrangement you formed for Cotton Candy grapes? Jim Beagle mentioned that in the UK, Cotton Candy is actually called Candy Floss with an equivalent flavor profile. What was your reaction when you tasted it?

A: Cotton Candy grapes have a unique flavor that is completely different. No other grape is like it. In the UK, exclusive licensing agreements are usually split either on variety or by retailer. In this case, our arrangement is exclusive with variety and with Sainsbury.

Q: How was it marketed and merchandised on the retail floor? Were there any special promotions?

A: We were working with very limited volume this year because there were just a couple hundred kilos produced. The way retailers in the UK arrange product is by categories of good, better, best. Best would be the exclusive top-tier line. *Taste the Difference* is Sainsbury's trademark for its best line, and basically the Cotton Candy, or here in the UK, Candy Floss, was available in that range for a couple of weeks. We restricted it due to volume for the late August time frame.

This year, we didn't do a separate display because of the limited volume. It was handled as a sub-brand within the grape section, displayed in a special packaging and format and its own unique label. We gave as much theater on the shelf as we could.

We're a supplier to Sainsbury, but don't get involved with merchandising in general. In the next two to three years or so, we look to develop marketing programs to boost excitement before it gets to store.

Q: What do you envision in the future with Cotton Candy grapes? Is this a one-hit wonder, or is there a way to replicate this excitement going forward? Do you have any prospects in the pipeline?

A: The promotion was a success. We were very pleased. We hope to enhance our partnerships with steady new varieties coming through.

Certainly, Cotton Candy will become bigger, and then we'll have Cotton Candy versions two and three. We're looking not only at flavor, but the shapes of grapes. There are a lot of exciting new things in the development stages.

Q: As we began this interview, you noted that the UK market puts a greater emphasis on flavor than in the U.S. How did this contrast evolve?

A: In the UK, we've gone through the phase where produce was bred for aesthetics and volume. UK consumers got fed up with that, not just with grapes, but across categories. It resulted in a push to get flavors back in everything. Tomatoes are the best example. Category sales are huge now because of the move away from the traditional watery tomato to a vast range of flavorful varieties....

It is a fascinating story in many aspects.

First, it should give many U.S. retailers pause. These grapes were available in very small quantities this year. Why in the world should they have made their way to the United Kingdom? Is U.S. procurement often kind of passive, waiting for a presentation rather than reaching out aggressively to find new and exciting things to offer consumers? Were American retailers not willing to pay the premium needed to secure these grapes? Were American retailers not flexible enough to work these grapes only in select stores while volume is thin?

We give a salute to Sainsbury's and Mack Multiples for doing their job and being proactive about finding what best suits the consumer.

Second, despite the focus on the novel taste traits of this grape, this story shows that proprietary varieties all by themselves are not the answer. You can mess up the quality of any variety by picking it when, in Jim Beagle's example, the retail ad campaign is about to break, rather than when the fruit is ready. You need an aligned supply chain in which all parties — in this case The Grapery, Mack Multiples and Sainsbury's — are in accord on the primacy of flavor.

Third, this focus on an alignment of values has implications beyond flavor. It is the precise value that is necessary to produce food safety, sustainability, economy — any value at all.

The big question is how do we take these ideas and values and scale them. Cooking aside — although as volume increases there is no reason they can't use these grapes to create unique pastries, etc. — the story of the Cotton Candy grape is really an attempt to stay true to these same values on a commercial scale.

Fourth, our biggest concern is that the industry is putting too great a burden on flavor. When Jim Beagle says, "It only works if it's a great flavor product so retailers can charge the premium and turn the product around fast, and it can be a point of differentiation," he is undoubtedly correct. Maybe, though, we need to rethink. Should the normal offering be "rock hard fruit, bright colors and no shatter?" In other words, fruit selected for appearance and retail risk-reduction, not flavor or long-term consumer satisfaction.

One wonders if, in the future, some retailer won't be able to build a reputation whereby its norm is to provide innovative, top quality, flavorful fruit.s

pb

PRODUCE TRACEABILITY: THE STATE OF READINESS IN MEXICO



For the Produce Traceability Initiative and its adoption rate among Mexican growers and importers of Mexican fruits and vegetables, the urgency is continuing to rise. And the readiness to implement is rising as well.

For one major traceability service provider alone, there are nearly 200 traceability systems deployed in the Americas. A disproportionate number of those are in

Mexico. Still, it is fair to estimate that well under 25 percent of commercial Mexican produce exports are PTI-compliant.

Commercial Mexican produce exporters can be described as the early adopters of PTI. They adopted early because of a perceived demand from the marketplace, not only in North America, but also Europe and Asia.

Those who are not compliant fall into two groups:

- Some are still not aware of PTI.
- Others are aware of it, but waiting for a mandate from their customers.

For larger grower-shippers, cost is not an impediment to adoption. For a commercially viable traceability system, the first-year cost can be as little as \$7,000 per packing location. The cost can be around \$3,000 per year after that. This is only for the cost of the hardware, software and printing, however, and does not include any costs added to the packing line in order to accommodate PTI.

Because Mexico packs hundreds of produce items, in a variety of pack configurations, it is difficult to get a handle on the true costs of implementation for the whole of Mexico. For sure, the industry-wide costs will run in the millions of dollars.

At one time, there were no incentive programs for traceability adoption from the Mexican government. But that has changed greatly in the past year. For instance, the Mexican Association of Protected Horticulture (AMHPAC), which serves Mexican greenhouse growers, helped ASERCA/SAGARPA change its operating procedures to establish a program where 50 percent of the cost of implementing a traceability system by a grower is covered by ASERCA, the Mexican Agriculture Secretary's agency that helps promote its country's exports.

GS1 Mexico had a traceability event in Uruapan, Mexico, in September, where more than 60 growers were represented. Judging by accounts of people who attended this meeting, growers appear to be aware of PTI, but still have lots of questions.

The cost of GTIN prefixes is a major impediment for distributor-importers. The ability to gain competitive advantage by being an early adopter is a prime reason for companies being interested in PTI.

But can a grower be too early to the party? Some of the larger, verti-

cally integrated companies have had internal traceability systems for up to 10 years. The question now is how to integrate these legacy systems into the new PTI.

As part of SENASICA's food safety certification system, a company has to adopt a traceability system. SENASICA encourages Mexican produce growers to use the traceability program prescribed in its manual, which was developed with the help of the EU and by SANCO (Directorate General for Health and Consumer Affairs). SENASICA has an agreement with ASERCA to promote the certification system and traceability. This will become among the criteria for qualifying for the *Mexico Calidad Suprema* logo.

Still, many companies are waiting until FDA comes out with its own traceability requirements. The fact that FDA and the Institute of Food Technologists (IFT) are rolling out a pilot for produce traceability is heartening.

FDA and IFT have chosen fresh tomatoes for the fresh produce portion of the pilot. Given that tomatoes are produced in Mexico, the United States and Canada, among other nations, this pilot should be a good proving ground, giving participant companies a rare insight into how the FDA will manage future recalls and traceback efforts.

In order to gauge adoption of traceability among importers of Mexican fruits and vegetables, an electronic survey of distributor-importer members of the Fresh Produce Association of the Americas was conducted. The FPAA has a little over 100 members in total, and about 50 percent of those are distributor-importers. Among 18 distributor-importer respondents to the survey, 100 percent said they were aware of the initiative.

About 73 percent said they or their growers had installed electronic traceability equipment. When asked if they were currently tracking their produce electronically, 67 percent said yes, 23 percent said no and the rest did not respond. When asked what percentage of their imports they planned to track electronically, 39 percent said they would track 100 percent of the imports, 23 percent said they would track more than half, 6 percent said they would track less than half and the rest did not respond.

Distributor-importer members of the FPAA represent up to half of all Mexican produce imports by volume, so it is fair to say that there is willingness to move forward with PTI. In addition to Mexico, traceability service providers say they are seeing more interest in South America.

While some companies are ready to roll with PTI, many other companies involved in the commercial supply chain of Mexican produce are waiting for the marketplace to say "jump." And considering that major retail and foodservice buyers are now moving forward, it appears that larger players in the Mexican produce industry will be prepared to respond to any traceback demands, and to contribute to supply chain efficiencies that come from the thoughtful implementation of traceability.

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While some companies are ready to roll with PTI, many other companies involved in the commercial supply chain of Mexican produce are waiting for the marketplace to say "jump."

By Lance Jungmeyer

Lance Jungmeyer is President of the Fresh Produce Association of the Americas, Nogales, AZ. This column is adapted from his comments to the Oct. 12, 2011, meeting of the Produce Traceability Initiative.

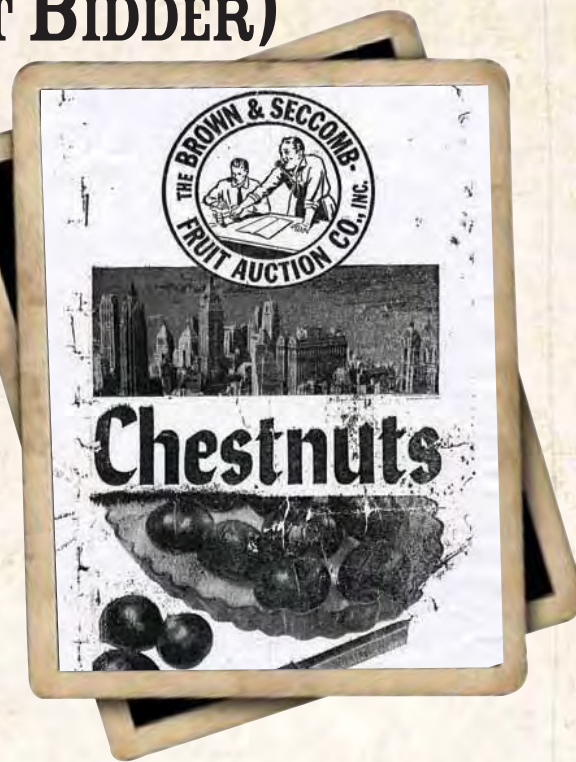
SOLD! (To The Highest Bidder)

Sal Vacca, president of A.J. Trucco Inc., a wholesaler located in New York City's Hunts Point Market, remembers the produce business of days gone by. "Back then, fresh produce was sold at auction on the Hudson River piers," he recalls. "There was a number of different auction houses that would run the event for that particular day. One of the largest houses was The Brown & Seccomb Fruit Auction Co. Inc."

Vacca continues, "Domestic fruit would be sold first, and then came the imports. That's when the chestnuts would be sold, since they were brought in from Italy." The photo at right shows the cover of The Brown & Seccomb catalogue from the fruit auction on November 24, 1952. Vacca remembers that day well, as it was the Monday prior to Thanksgiving. "The auction was nuts — just crazy — since everyone was stocking up for the holidays." At the time, Vacca worked with D. Dangioli Inc., a company that imported fresh chestnuts from Italy, and had 500 cases for the sale at the market that day.

While the market has certainly changed, especially the way in which fresh produce is being sold, many of the time-honored commodities remain. Vacca continues to sell imported chestnuts at Trucco's facility at the Hunts Point Market. "We've been selling here, at the current market, since 1967. The auctions ended a few years after that. It was a fun and exciting time, and despite the changes, it remains so today."

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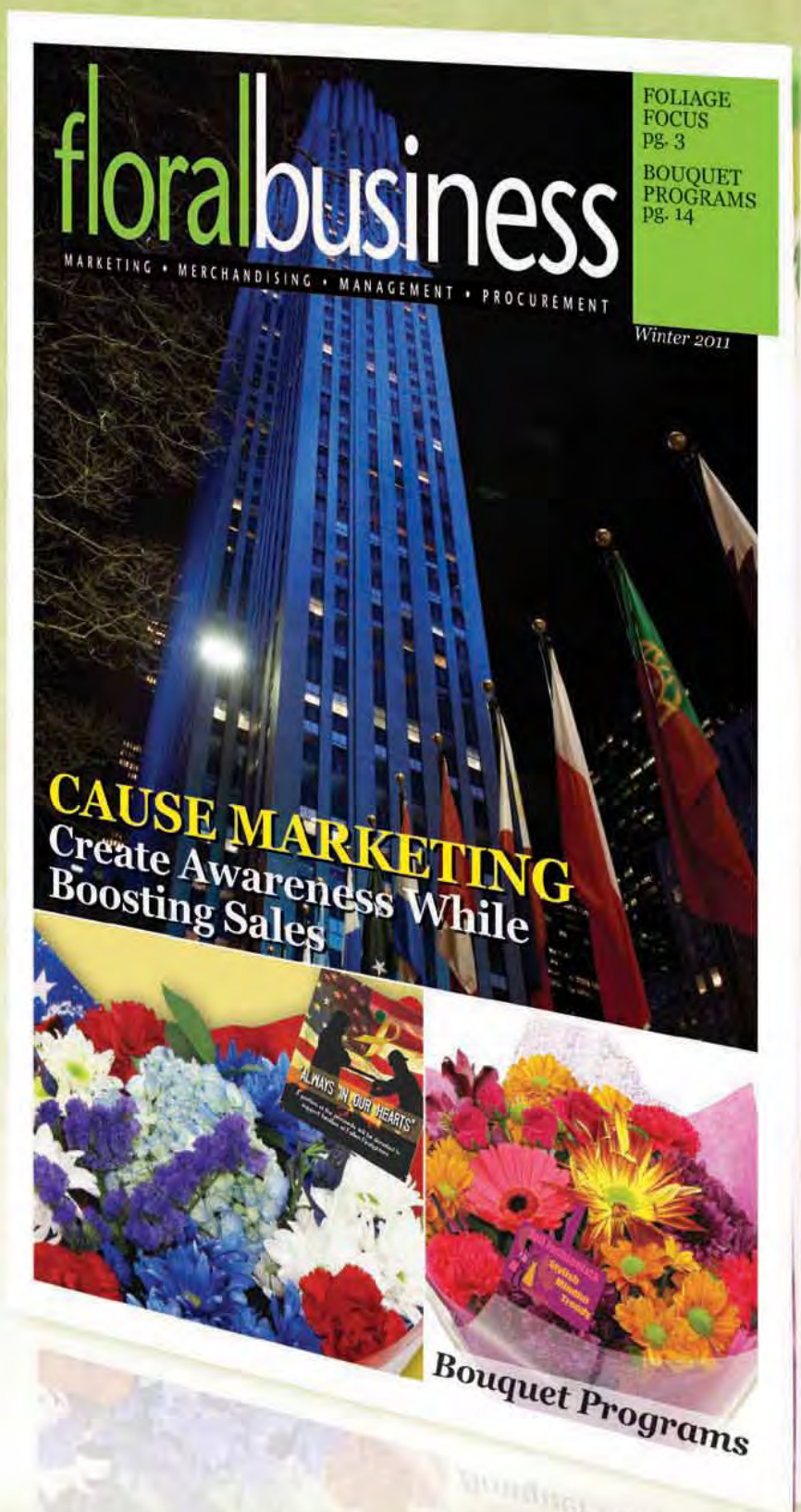
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